FBIS DAILY REPORT

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BOLIVIAN GOVERNMENT CONFIRMS CHILEAN INCURSION

PY122013 Madrid EFE in Spanish 1849 GMT 12 Jun 87

[Text] La Paz, 12 Jun (EFE) -- Information Minister Herman Antelo today confirmed that three Chilean airplanes violated Bolivian airspace noon yesterday as evidence of hostility, which threatens the peace of the region. The information minister made this comment while officially announcing that Bolivia will report this event to the UN and the OAS Security Councils.

Meanwhile, Antelo said the government has issued instructions to the Armed Forces to patrol the Chilean border area, which may be violated by Chile, to safeguard Bolivia's sovereignty.

Antelo said: "We are championing peace and tranquility. We do not want to motivate any type of action that might be regretted by Bolivia and the conflict area. However, we must safeguard our territory."

The information minister explained that Chilean Air Force airplane overflew the Charana and Calacoto regions at noon yesterday while people were observing a minute of silence to express their desire for an outlet to the Pacific Ocean and their rejection of the negative Chilean response.

Antelo pointed out that "the Bolivian Foreign Ministry has just asked the Bolivian ambassadors to the United Nations and the OAS to report this violation of Bolivian airspace and to lodge a protest with these organizations for something that, in the first place, we believe is unilateral; in the second place, hostile; and, in the third place, risky to peace in this part of the continent." A few hours ago, the aeronautics and defense minister denied unofficial reports released yesterday of a raid by Chilean airplanes.

"We did not release an official report earlier because we did not get the reports from the government air control station." Antelo said. Antelo added: "Now this information is in the hands of the executive branch and we are making it official."

The information minister stressed that the Chilean Government's attitude of violating the national sovereignty and intimidating the people "is hostile and risky," and it will be reporterd to the international community.

Antelo reported that at the same time, "the government is carefully and seriously assessing the Bolivian-Chilean commercial relations, without being dragged into hysteria."

"The president of the Republic has given instructions to assess those relations. Based on this assessment, a high-level decision will be made," Antelo concluded.

FACH Reiterates Denial

PY121922 Santiago Domestic Service in Spanish 1700 GMT 12 Jun 87

[Text] The Chilean Air Force [FACH] today flatly denied international news agency reports quoting Radio Panamericana of Bolivia on alleged low altitude overflying of Bolivian territory by Chilean planes. Correspondent Carmen Luz Ibarra filed this report.

[Begin Ibarra relay] The FACh has emphatically denied a report datelined La Paz that Chilean planes yesterday overflew Bolivian territory. Official FACh sources said the reports are false.

Reports datelined Bolivia charged that Chilean warplanes yesterday overflew Bolivian territory in the Charana sector on two occasions. This town is located 176 km west of La Paz.

This has been Carmen Luz Ibarra from the Defense Ministry. [end relay]

## Official Communique Issued

PY130054 Santiago Domestic Service in Spanish 2300 GMT 12 Jun 87

[Text] The Chilean Air Force [FACh] has denied the alleged incursion of Chilean airplanes into Bolivian territory.

Concerning this situation, here is a report by the FACh public relations department:

In view of some reports made by foreign news agencies and radio stations, which have disseminated reports on overflights allegedly made by Chilean warplanes in Bolivian territory, the FACh considers its duty to report to the public that the FACh categorically denies those reports and states that it is absolutely untrue that FACh airplanes have overflown Bolivian territory.

This official communique is signed by FACh Colonel Octavio Mardones Ibanez, the FACh public relations department chief.

## NONALIGNED LEADERS MEET IN DPRK, DISCUSS ISSUES

### Malmierca Meets D'Escoto

FL121227 Havana Radio Progreso Network in Spanish 1100 GMT 12 Jun 87

[Text] Cuban Foreign Minister Isidoro Malmierca has met in Pyongyang with his colleagues from Zimbabwe and the DPRK. He also met with the chiefs of the delegations from the PLO, Vietnam, Benin, Algeria, the Congo, Burkina Faso, Ghana, Sri Lanka, and Iran.

Malmierca said that during these meetings they discussed topics related to the special ministerial meeting of the Nonaligned Movement on South-South cooperation, matters of bilateral interest, and the current international situation.

He added that he had a long conversation on the same topics and on the situation in Central America with Nicaraguan Foreign Minister Miguel D'Escoto.

### Radio Marti Scored

FL130322 Havana Television Service in Spanish 0000 GMT 13 Jun 87

[Text] In Harare, the Second Nonaligned Information Ministers Meeting has agreed to hold its next meeting in Havana in 1990. The meeting ended with a statement condemning subversive radio broadcasts. Sixty-one countries attended the Harare meeting, which approved a final declaration and another one on radio broadcasts that distort the situation in Nonaligned Movement countries.

The document calls the so-called Radio Marti, created by the United States, offensive to the Cuban people and an unacceptable precedent in radio broadcasting and demands that its transmissions cease. The information ministers also expressed the need for nonaligned countries to free themselves from transnational news agencies.

### Foreign Ministers Meet

PA131250 Havana International Service in Spanish 2300 GMT 10 Jun 87

[Text] Cuba, Nicaragua, and Cyprus have pleaded in Pyongyang in favor of common plans at the Nonaligned Movement to ease the difficult economic situation of the developing countries and strengthen South-South cooperation.

At the Nonaligned Movement special ministerial conference on South-South cooperation, which began yesterday in Pyongyang, the Cuban, Nicaraguan, and Cypriot foreign ministers pointed out that to resolve those problems, it is necessary to end the arms race and attain a new and fairer international economic order. In addition, the three foreign ministers also criticized Washington's aggressive policy in various regions of the world and the apartheid promoted by the racist South African regime, which represent serious obstacles for the development of Asian, African, and Latin American independent states.

Representatives of almost 100 countries and several international organizations are participating in the Nonaligned Movement conference on South-South cooperation.

## 72D MEETING OF CEMA ELECTRIC POWER GROUP HELD

### Soviet Power Minister Arrives

FL121211 Havana Tele-Rebelde Network in Spanish 1100 GMT 12 Jun 87

[Text] Anatoliy Mayorets, member of the CPSU Central Committee and USSR minister of power and electrification, has arrived in our country on an official visit. Mayorets was received at the Jose Marti International Airport by Marcos Portal Leon, member of the Communist Party of Cuba Central Committee and minister of basic industry. The Soviet minister will take part in the last day of sessions of the 72d meeting of the CEMA Permanent Commission for Electrical Power underway at Havana's Palace of Conventions.

### Protocol Signed

FL131410 Havana Radio Progreso Network in Spanish 1100 GMT 13 Jun 87

[Text] Vietnam, Cuba, and Mongolia will get aid from Eastern European CEMA member countries for their energy programs during the next 5-year period. This was established by the signing of a protocol of the 72d meeting of the CEMA permanent commission for cooperation in electric power. Agreements were also signed to increase the level of exploitation of Cuban thermoelectric power plants and their efficiency through maintenance improvements.

## RISQUET RECEIVES PALESTINIAN FRONT LEADER

FL121215 Havana Tele-Rebelde Network in Spanish 1100 GMT 12 Jun 87

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba [PCC] Politburo and Secretariat, has received Nayif Hawatmah, secretary general of the Democratic Front for the Liberation of Palestine, who is heading a delegation visiting Cuba at the invitation of the PCC Central Committee. The Palestinian leader gave a broad explanation of his people's struggle to recover their legitimate national rights, including self-determination, the return to the homeland, and an independent state. Risquet reiterated Cuba's solidarity for the just Palestinian struggle and emphasized that the unity and independence of PLO action must be preserved.

## UGANDAN DELEGATION ARRIVES FOR COOPERATION TALKS

EA122228 Kampala Domestic Service in English 1000 GMT 12 Jun 87

[Excerpt] A Ugandan delegation led by the deputy minister of industry and technology in charge of technology and research, Aggrey Suit, has arrived in Havana on a 2-week visit aimed at exploring avenues of technical and economic cooperation between Cuba and Uganda. The mission is being coordinated by the Cuban State Committee for Economic Cooperation. The delegation has already held discussions with the deputy minister of the state committee for economic cooperation and various Cuban officials responsible for the sugar industry, low cost housing schemes, and cement and asbestos industries. Further discussions will cover food processing, radio and TV manufacturing, metallurgy and engineering research and development, and standardization of industry products. [passage omitted]

## U.S INTERFERENCE 'EVIDENT' IN PANAMANIAN AFFAIRS

FL131542 Havana Radio Reloj Network in Spanish 1402 GMT 13 Jun 87

[Text] Business sectors and right-wing parties seem unwilling to cease their efforts against the Panamanian Government. Meanwhile, U.S. interference in the country's affairs is increasingly evident. The banging of pots was heard in the past few hours in the high-income neighborhoods of Panama City as part of the civil disobedience actions called for by private business associations joined together in a national civic crusade for the past 4 days.

U.S. Ambassador Arthur Davis visited the home of Ricardo Arias Calderon, president of the Christian Democratic Party, who had called him to inform him he was under house arrest. Meanwhile, the 10,000 soldiers that the United States has along the Panama Canal were placed on a state of alert and received orders not to circulate in the capital from 1800 to 0600.

The U.S. State Department has declared it supports the efforts to clarify recent statements by former Colonel Roberto Diaz Herrera. It also came out in favor of free elections in Panama and an apolitical armed forces, arguments also employed by the Panamanian right wing. Diaz Herrera stated yesterday that he had asked the American ambassador to visit him at home to tell him about certain things. The statements by Diaz Herrera, who used to be chief of staff, triggered the present crisis. He said the Panamanian Government was the product of electoral fraud in 1984 and also tried to link the country's top military leader, General Manuel Antonio Noriega, with the deaths of Omar Torrijos and Hugo Spadafora.

Meanwhile, this is the 3d day of a business strike called for by the national civic crusade which was repudiated by the two main Panamanian trade union organizations.

## PANAMANIAN GOVERNMENT SUSPENDS GUARANTEES

PA141945 Havana International Service in Spanish 2300 GMT 11 Jun 87

["Viewpoint" feature read by Jose Luis Galeano]

[Text] According to an official communique issued in Panama City, the Panamanian Government decreed a state of emergency early today and suspended all constitutional guarantees throughout the territory. The decision was made during a cabinet meeting, and it was prompted by 3 days of public disturbances carried out by opposition parties that are demanding the government's resignation.

The document indicated in the past 48 hours, incidents occurred in Panama City and Colon provoked by political groups interested in seizing power. These groups are accusing Panamanian authorities of electoral fraud in the 1984 elections. The current situation in Panama is the most difficult faced by the government since the March 1986 labor strike.

The country's political situation deteriorated after six rightist parties, members of the Opposition Alliance [ADO], demanded the resignation of President Eric Delvalle and his cabinet and the creation of a provisional government until the general elections are held next year.

A business sector call for civil disobedience and a general strike -- which, according to observers could worsen the situation considerably and create chaos in the country -- joined the ADO demand.

Before thousands of sympathizers who cheered him, Gen Manuel Antonio Noriega, commander of the Panamanian Defense Forces, said that his forces will be cautious and will not fall into the violence that rightist opponents want to unleash.

Meanwhile, the Marxist-Leninist People's Party [PDP] stated that there can be no effective solution to the country's crisis unless it is based on a political commitment toward the sociological problems and a progressive democratization.

In a statement issued in the city, the PDP reported the flagrant intervention by the U.S. Embassy in Panama, which, the party said, gave specific instructions to the opposition forces involved in the disturbances. The Panamanian communists noted U.S. reactionary plans are behind this political crisis. They said the U.S. leaders want to avoid th authentic nationalization of the Panama Canal at any price. It is evident, the Panamanian communists added, ADO also wants to undermine the independent role of the Panamanian Government in the Contadora peace process.

SOUTHERN COMMAND'S GALVIN FAREWELL TOUR CRITICIZED

PA131820 Havana International Service in Spanish 2300 GMT 10 Jun 87

[Commentary read by Nestor Nunez]

[Text] Prior to taking command of NATO, General John Galvin, until recently commander in chief of the U.S. Southern Command, is bidding farewell by touring Latin America, where he apparently intends to stress some of his concepts on the most varied regional topics.

The topic of the area's stability could not be absent from his hollow verbiage: threats, according to the general, by the stormy Cuban presence, which he describes as the main regional political problem and the cause of all the problems that endanger U.S. hegemony. Let us not fool ourselves: For Galvin, stability in Latin America means the reassurance that each order from Washington will receive a broad yes [last word in English] as a reply.

For the leader of the not-very-stabilizing U.S. Southern Command, with headquarters at the Panama Canal, the game in favor of the White House has to be maintained, based on support to the counterrevolutionaries of Nicaraguan origin and massive support to the Jose Napoleon Duarte regime in El Salvador.

To Galvin, the struggle against Marxism inside our countries is much more important that the Malvinas Islands differences with Great Britain, even though this involves a constant affront to Argentine sovereignty over the archipelago.

Because the economic problems are inevitable and well known, the military man had to say they are also a source of destabilization, but this obviously was a statement from someone who has no option other than to rapidly review the monster in front of him.

Foreign debts aounting to $400 billion, additional repayments of $40 billion a year, capitalistic protectionism, [word indistinct], and increased decapitalization are small things in the eyes of the general; however, for our peoples, it mean as the difference between life and death.

John Galvin's farewell sometimes makes one doubt the U.S. General's state of mind, although everything indicates that madness is not exactly one of his better known traits.

ARGENTINES OPPOSE APPROVAL OF DUE OBEDIENCE LAW

PA131616 Havana International Service in Spanish 2300 GMT 10 Jun 87

["Our America" commentary read by Manolo Ortega]

[Text] The Argentine people continue to oppose the approval by the national parliament of the so-called due obedience law, which will have an immediate impact on the proceedings against military leaders who have been charged with human rights violations. The law frees from criminal responsibility military personnel up to the rank of brigadier general who have been implicated in assassinations and disappearances of some 30,000 citizens during the past few years of military power. The parliamentary decision blames this period of terror on the highest officials of the Armed Forces, thereby exonerating those who actually committed these brutal and atrocious crimes.

Reports linked to the government indicate the measure is intended to reduce tension in Argentine society, to eliminate the hatred and resentment of the past. However, several people believe it is not possible to wipe the slate clean of so much blood, especially if this means criminals can walk the streets with impunity.

The law would suspend current judicial proceedings against lower ranking officers who have been implicated in crimes against humanity. The law's underlying principle exonerates those who practiced torture and committed murders, under the pretext they did so under orders from their superiors.

To some observers, the application of the law may be the preamble to an amnesty that might possibly cover leaders of successive military juntas responsible for Argentina's last period of repression. Those observers have commented those who believe themselves to be free from punishment could lead ultrarightist groups to resume their criminal activities, which would further destabilize Argentine society.

Numerous social sectors are presently opposing the measure. The Argentine Permanent Assembly for the Defense of Human Rights has stated its rejection of the due obedience law and announced it will demand the courts declare it totally unconstitutional.

This coincides with statements made by Ricardo Molina, the national investigating attorney, who said the due obedience law runs contrary to the Constitution and violates the laws, because it exonerates those responsible for murders without any proof of their alleged innocence.

Government sectors disagree. Defense Minister Horacio Jaunarena said the law will consolidate the relationship between the government and the Armed Forces. Meanwhile, Secretary of Justice Ideler Tonelli maintained that that law will contribute to the strengthening of Argentine society.

However, the majority of Argentines, especially those who have lost loved ones in the veritable dance of death imposed on the nation by self-styled defenders of national security, apparently are unconvinced about the theoretical benefits of the law.

CIVIL ACTIONS IN NORTHEASTERN COLOMBIA VIEWED

PA120627 Havana International Service in Spanish 2300 GMT 9 Jun 87

["Focus" feature by Nestor Nunez]

[Text] The civil strike demanding economic and social development plans, which is paralyzing northeastern Colombia, confirms the current state of pauperization of the Latin American economies is a basic element that generates situations of instability.

The inhabitants of approximately 60 municipalities together with thousands of peasants completely paralyzed activities and marched down streets in the main cities to demand the construction of infrastructure, the promotion of public services, the improvement of towns, and the organization of a truly effective land reform.

These demands seek to improve the situation in the troubled lives of tens of thousands of people who day by day perceive with anguish the rapid deterioration of their survival possibilities.

However, the civil strike in northeastern Colombia has another serious aim: to fight the widespread violence against popular leaders and activists which has been a traditional and bloody method of domination by the local oligarchies and foreign interests over those who promote and work for just changes.

Along with these demands, the peasants in the conflict-ridden area are demanding an end to the militarization of their fields as a measure that will offer them real security in the advancement of their economic and social actions.

The deep troubles of dependent societies plagued by grave economic problems are not necessarily resolved through violence, because the violent reaction of the attacked would then be [words indistinct], and no one would have any reason to criticize it.

However, it is an undisputable fact the developments of the past several hours in northeastern Colombia, preceded by 18 similar actions in the 10 months of presidency of Virgilio Barco, are the inevitable result of economic and social problems that have accumulated over decades, the climax of which can be no other than the more rigorous expression of the massive demands by those who suffer the ill-fated consequences.

## CASTRO DISCUSSES ANIMAL BREEDING AT ANAP CONGRESS

FL032247 Havana Tele-Rebelde Network in Spanish 0144 GMT 20 May 87

[Highlights of exchange between Fidel Castro and delegates to the Seventh Congress of the National Association of Small Farmers, ANAP, at Havana's Palace of Conventions, date not given; monitored in progress -- recorded]

[Text] [Unidentified delegate] The drought has caused considerable damage in recent years and we have not been able to increase our grazing areas as we should. We had to move the cattle to the areas surrounding the sugar mills due to the drought during the past 2 years. This year we moved 2,500 heads of cattle from the drier areas, and this involved a lot of expense. In addition, we must work on the cane fields but this also involves some expense because you cannot plant sugarcane and grass in the mountain areas. This must be done in different areas and we must use the space available on the hilltops. However, this is more complicated. Anyway, these last years have been difficult for us. We have had almost 5 years of drought in Santiago de Cuba. We have had little rain in the area since 1981 and this has negatively affected our cattle development.

Nevertheless, we will reorganize the work at the territorial level and this will allow us to develop our cattle production a little better, and thus have a more controlled and developed birth rate, which has been extremely low due to the conditions in the mountain areas. There are areas where the cattle are in pastureland measuring 37 caballerias. Breeding is impossible there because the animals -- meaning the cows -- stray from the bulls and they cannot do a thing. One must plan all this and put the animals in areas where they will be in closer contact. We will begin an insemination program with 150 animals, and we will also plan the supervised covering of an additional 200 animals. In other words, we will begin better breeding plans.

This year we have plans to sow 17 caballerias in the flatter areas. We will thus be able to bring more animals for insemination and supervised covering of cows. This is what will really solve the problem of low breeding in the mountain areas, because the conditions are difficult there. Not all the animals gather at the watering holes at the same time. So many animals are not put in pens, and this makes cattle production unprofitable.

[Castro] I wanted to ask you: How many caballerias do you have?

[Delegate] We have 284 caballerias.

[Castro] And you have 2,800 heads of cattle?

[Delegate] Yes, 2,800.

[Castro] Approximately 10 per caballeria. How much grazing land do you have?

[Delegate] We have 32 caballerias of artificially sown grass. Some of the caballerias must be rehabilitated because the drought has really affected them, and their capacity has been heavily taxed.

[Castro] Is it Guinea grass?

[Delegate] No, it is star grass and Guinea grass.

[Castro] Star grass...

[Delegate, interrupting] We also have the Guinea grass in lower areas, where there are less mountains. This variety has more yield per caballeria.

[Castro] Does it have a good yield?

[Delegate] Yes, of course.

[Castro] But that grass is very tough.

[Delegate] It is very tough but meets our needs.

[Castro] Do the Zebu cattle graze better with this grass than with the Guinea grass?

[Delegate] No, Commander, all the animals graze better with the Guinea grass. That is the variety they like best.

[Castro] But the other variety has a higher yield.

[Delegate] It has a higher yield.

[Castro] Does it produce more meat per caballeria?

[Delegate] Yes, of course; it produces more.

[Castro] You only have 32. What kind of grass do you have in the other caballerias?

[Delegate] Natural grass.

[Castro] On the mountains?

[Delegate] On the mountains.

[Castro] What kind of grass?

[Delegate] They call it hemp but you call it Texan grass in Havana; and the other one is called penicillin grass but you call it wild grass in Havana.

[Castro] Hmmm...

[Delegate] This is more or less what the grass is called in the eastern provinces and here.

[Castro] How many associates do you have?

[Delegate] We have 179 associates.

[Castro] You have too many associates.

[Delegate] Too many caballerias.

[Castro] Too many associates.

[Delegate] No, commander, because we also have coffee in 17 caballerias.

[Castro] Oh, all right. This means you don't only have cattle.

[Delegate] Yes, yes, we also have coffee.

[Castro] What else do you have?

[Delegate] The rest of the land is used to plant what we consume. We also have other animals, including 600 sheep. We sustained some losses with the pigs, which had brucellosis so we had to kill them. We have yet to recover from that loss.

[Castro] Judging from the calamities you have mentioned, we can say that your cooperative has not been profitable.

[Delegate] No, no our cooperative has always been profitable but we had some problems this year, commander. However, in previous years... [changes thought] the drought was terrible last year and yet we had a surplus of 53,000 pesos. But we did not distribute the money; the cooperative members agreed the money should be...

[Castro, interrupting] Yes, yes, but how many heads of cattle do you sell each year?

[Delegate] Look, we will sell 635 heads of cattle this year.

[Castro] Yearlings? Young bulls?

[Delegate] Young bulls. We were increasing...

[Castro] Do you sell fattened animals?

[Delegate] Yes. We'll sell a lot of class one and class two young bulls. We had problems this year due to the drought, and because the animals did not gain weight as they should.

[Castro] Is that your main source of income?

[Delegate] Yes, cattle production.

[Castro] The sale of cattle?

[Delegate] The sale of cattle.

[Alfredo Guerrero, Holguin, identified by caption] We feel we have fulfilled the necessary goals to become a large family, given the cooperative members' behavior. We are like a big family. We will commemorate the cooperative's eighth anniversary on 7 July. We think the occasion is propitious for the family to gather and discuss things.

[Castro] One last question: When you began it was a small group of 18 members, no? How many?

[Guerrero] We were 18 men and 1 woman.

[Castro] How much land?

[Guerrero] We had 11 caballerias.

[Castgro] Did you have any problems?

[Guerrero] Well, the cooperative has been profitable at all times even though we had many problems. Even though we had many problems it was profitable. Thirty seven head of cattle died the first year. The comrades... [changes thought] There are some bitter stories but the cooperative was profitable from the first year due to our comrades' efforts and strong will.

[Castro] Did you ever have any doubts along the way?

[Guerrero] No.

[Castro] You were sure of that...

[Guerrero, interrupting] We were always sure; we were always sure about the cooperative movement.

[Castro] What is the education level among the cooperative members?

[Guerrero] Well, approximately 20 comrades have completed the 12th grade. I have some information on that. This year... [corrects himself] Last year a ceremony was held at our cooperative because the province had fulfilled the ninth grade level, and 30 of our comrades had completed their ninth grade.

[Castro] In other words, you have a high education level.

[Guerrero] Very high, very high.

[Castro] Do you read the newspaper every day?

[Guerrero] We get the newspapers every day.

[Castro] What newspapers do you get?

[Guererero] We get GRANMA, the provincial newspaper, and JUVENTUD REBELDE.

[Castro] Do you think the cooperative members' political education is good? I am not only talking about patriotism and defense.

[Guerrero] I think so. I think they have achieved... [changes thought] I think so because the people do not hesitate when a task must be carried out; they immediately tackle the problem.

[Castro] How many are party members?

[Guerrero] Thirty six.

[Castro] And members of the Union of Young Communists?

[Guerrero] Twelve.

[Castro] Twelve. You have a good nucleus there.

[Guerrero] A good nucleus, a very good nucleus.

[Castro] Do you live in one community or are you spread out?

[Guerrero] Two communities.

[Castro] Two communities.

[Guerrero] We think this is a problem. We think this has been a negative experience -- I am talking about the two communities -- because sometimes we could solve the community's problem with one social gathering, but we have to hold two. If we hold a gathering in one community we have to hold another gathering in the other community, or else. If we have a party in one community we must have a party in the other community because...

[Castro] How far apart is one community from the other?

[Guerrero] Eight km.

[Castro] Don't you save a lot of time and transportation when you have to go to work? It seems if one community is 8 km away from the other, you are close to the area where you work, so you save time when you walk or ride. It all depends on the area's topography and on the land's layout. If it is a well-located area the problems could be solved with one meeting.

[Guerrero] Of course.

[Castro] However, the land distribution itself often makes it necessary to hold two separate meetings, to avoid so much traveling and the waste of time when you have to travel 1 hour. Nevertheless, as you well put it, the ideal thing would be one meeting. How many people live in one community and how many live in the other? About half of the population?

[Guerrero] No, one community is smaller.

[Castro] One community is smaller?

[Guerrero] One community is smaller.

[Castro] What school do the children attend?

[Guerrero] Well, there are two schools; one for each community.

[Castro] How many students in each school?

[Guerrero] There is a large school, which has 220 students in the larger community. There is a smaller school; it must have 40-odd students.

[Castro] Therefore, how many people comprise the cooperative?

[Guerrero] I would say the consumers you mean?

[Castro] Yes.

[Guerrero] The cooperative members and their relatives?

[Castro] Yes, the consumers.

[Guerrero] Four hundred and forty six.

[Castro] Does the doctor handle only those 446 persons or are there others?

[Guerrero] No. Well, the doctor does not handle everything, if you mean taking care of all those who comprise the nucleus.

[Castro] No, I mean: How many of the persons living there does the doctor treat? Six hundred?

[Guerrero] Approximately 600.

[Castro] Then he treats people who do not belong to the...

[Guerrero, interrupting] Who do not belong, who are not members of our cooperative. He treats everyone, but on a deferred basis...

[Castro, interrupting] Does he visit the patients?

[Guerrero] Constantly. He has time...

[Castro, interrupting] What does he have? A horse?

[Guerrero] He either rides a horse, walks, rides a tractor -- whatever is available.

[Castro] All right. Well, I think we must report what you said. Not only what you said; I believe there are many examples that can be reported. It would be fitting for all the population to hear about this, not only those attending the congress. Your experience is useful for the state-owned enterprises; you have a lot of experience and this can be useful.

We must make our own efforts so that the excellent results achieved in some cooperatives can be applied elsewhere -- maybe in all the cooperatives.

It is important for the ANAP to learn the secret of the cooperative's success, why this cooperative is at the vanguard. Many of the ideas have been positively developed. We must apply them. I personally thought the issue of the houses...[changes thought] the cooperative members' participation is essential. They can't wait for construction workers to build their houses. They must be built with extra world. This means each one works an extra hour to allow 16 men the free time for this work. That was undoubtedly a great idea. Has anyone ever presented a report on your cooperative? I talk about yours because it is located in a poor area, in an area with an adverse climate.

[Guerrero] Yes, commander, it has been featured.

[Castro] In Holguin's newspaper?

[Guerrero] The Holguin newspapermen have visited us and prepared some reports. On certain...

[Castro, interrupting] Has it been done in a national newspaper?

[Guerrero] On certain occasions.

[Castro] What about a report at national level?

[Guerrero] I do not recall a report at the national level.

[Castro] It would be advisable for our press to report this. I am talking about one case but here must be several cases which should be visited and reported at the national level, to share their positive experience. I think this kind of report is welcome news for everyone, not only for the peasants.

ENGINEER WARNS TO 'SERIOUS' WATER SUPPLY PROBLEM

FL110139 Havana Radio Rebelde Network in Spanish 2300 GMT 10 Jun 87

[Text] One of the worst droughts in the last 42 years could become a serious problem in Camaguery Province if urgent measures are not adopted immediately. This was reported to leaders of the Communist Party of Cuba [PCC] and government in Camaguey by Engineer Juan Baro, director of the water works management enterprise in Camaguey. He said the cities of Camaguey, Florida, Nuevitas, and Guainaro have very limited water reserves.

Currently, Camaguey's three main water reservoirs are only at 11.36 percent of their capacity. Those used to supply water to the population, with capacity for over 106 million cubic meters, only have 13 million. Jose Ruiz Campos, alternate member of the PCC Central Committee and second secretary in the province, noted that priorities in water supplies will be determined by the needs of the population. He called for state organs and the population to use water rationally and to be careful by avoiding waste, leaks, and incorrect use of wells and irrigation systems.

## DOMINICA

### OFFICIAL SAYS FIRST YEAR OF IMF TARGETS MET

FL121804 Bridgetown CANA in English 1830 GMT 11 Jun 87

[Text] Roseau, Dominica, June 11, CANA -- Dominica has successfully met targets set for the end of the first year of its three-year structural adjustment programme with the International Monetary Fund (IMF), a senior government official said today.

The official, who preferred to remain anonymous, told CANA that at the end of this month the island is expected to record a current account surplus of 5.3 million dollars (one East Caribbean dollar -- 37 U.S. cents) for the 1986-87 financial year. This figure is 1.8 million dollars more than what was projected under the programme.

The 1986-87 surplus would be more than twice the 2 million dollars recorded at the end of the 1985-86 financial year. The figures were reported as a six-member IMF team was leaving the island after a three-week review of Dominica's performance under the programme. The team was headed by Gopal Yadav who oversees the IMF loan programme in the Caribbean region.

Under the IMF structural adjustment facility, Dominica hopes to improve the central government's revenue performance and increase incentives for savings, investments and exports. A 6.5 million dollar credit facility is available to the island through the programme.

The government spokesman said that savings had improved and exports had increased, but the results of private sector investment were not as expected. He gave no figures. The financial year here runs from July 1 to June 30.

In 1984, Dominica successfully completed a three year extended programme valued at 37 million EC dollars and the island also borrowed another 4 million dollars from the fund under a stand-up programme.

## HAITI

### POSTAL STRIKE CONTINUES; MILITARY OCCUPIES BUILDING

FL111601 Port-au-Prince Radio Haiti-Inter in Creole 0100 GMT 10 Jun 87

[Excerpts] Tuesday, 9 June, was the 2d day of the strike at the central post office. Green-clad soldiers occupied the outside and inside of the post office -- even behind the counters -- so they could guarantee security. The day before yesterday, the Ministry of Commerce issued a communique announcing it would provide security so employees could get their work done.

But all the employees were just sitting around the post office. They were not working. Only 5 of 13 counters were open. These counters were taking the letters people came to mail, both overseas or inside Haiti. But according to the postal employees, those letters are going nowhere at all. They are going to rot in the post office because the postal employees are not going to send them anywhere. [passage omitted]

The department that sorts letters has even run across a letter from Switzerland for the General [National Government Council President Henri Namphy].

There are several letters. The post office is absolutely stuffed with letters and packages. The employees have not distributed them and they are not going to distribute them. The drivers say they are not even going to the airport to pick up packages and air mail. So the mail service has been totally paralyzed. [passage omitted]

Meanwhile, three directors and five representatives of the mailmen met in an office upstairs with Captain (Azema), who led the negotiations. They later came downstairs to report the results. The mailmen said no agreement was reached. [passage omitted]

## TRINIDAD AND TOBAGO

### ROBINSON MEETS WITH FOREIGN OFFICIALS

FL112327 Bridgetown CANA in English 1950 GMT 10 Jun 87

[Text] Port of Spain, Trinidad, June 10, CANA -- Trinidad and Tobago Prime Minister A.N.R. Robinson held a series of discussions with Caribbean, American and Canadian Government officials yesterday during his visit to Barbados, officials at Whitehall said today. Robinson, in Barbados to attend the state funeral of former Prime Minister Errol Barrow, also met his new Barbadian counterpart, Erskine Sandiford as well as other Caribbean leaders also in Bridgetown for the funeral.

Sources said the talks included discussions on Trinidad's national airline, BWIA, seeking additional flights into London through a Barbados-Trinidad agreement.

Whitehall said nothing on the nature of the discussions but stated today that the talks came at a time when BWIA has been granted one additional flight through Barbados, St. Lucia, London and Frankfurt after discussions with the British authorities and the British authorities and the United Kingdom Civil Aviation Department.

Other leaders with whom Robinson met were Guyana's President Desmond Hoyte, and Prime Ministers Kennedy Simmonds of St. Kitts-Nevis, James Mitchell of St. Vincent and the Grenadines, and Eugenia Charles of Dominica.

The Whitehall statement said Robinson also expressed strong support from his government for the Organisation of Eastern Caribbean States (OECS) moves to launch a single nation. Robinson also held informal talks with Commonwealth secretary general, Shridath Ramphal who attended the funeral.

According to Whitehall, Trinidad and Tobago will be seeking a review of the approach to Americas' Caribbean Basin Initiative (CBI) at the next Miami conference on the Caribbean. Robinson had already indicated his intention to attend the November-December meeting.

The functioning of CBI arrangements were reviewed with Trinidad and Tobago urging a more functional approach to discussions on CBI which will feature prominently at the Miami meeting, the Whitehall statement said.

It noted that Robinson met with the Canadian attorney general, the United States trade representative, Clayton Yeutter, and other U.S. Government officials.

PRESIDENT DE LA MADRID OPENS BANKING FORUM

PA121900 Mexico City XHTV Television in Spanish 0200 GMT 10 Jun 87

[Passages within quotation marks recorded]

[Text] [Lolita, not further identified] President Miguel de la Madrid opened the third national banking meeting today in Guadalajara. The Mexican banking system, the decapitalization of Mexican agriculture, and inflation, among other topics, were discussed. Rita Ganem reports live from Guadalajara.

[Ganem] Good evening, Lolita. Good evening, everyone. One could say that the best financiers have gathered here -- leaders and representatives from the stock exhange, various financial institutions, and foreign banks. The opening ceremony took place this morning at the Goyado Theater, which was built at the close of the last century and which is a monument in this city, the capital of Jalisco State. President De la Madrid announced new and important loans for the agriculture sector here today.

[De la Madrid] "We will give more loans to the Mexican farmers on a short-term basis by using available funds without increasing the budget deficit. We will earmark these loans for profitable areas, where risk in bank activities is not excessive."

[Ganem] The president said the Mexican banking system is more stable because it has been purified of deficiencies that evolved over the course of its history.

[De la Madrid] "An excessive proliferation of loans, often granted in leniency." [sentence as heard]

[Ganem] Prior to the president's speech, Treasury Secretary Gustavo Petricioli said that, to meet worrisome rural decapitalization, financial resources earmarked for agriculture will be substantially increased. He explained how.

[Petricioli] "To avoid using budget resources, the federal government will finance these programs with new development bonds, which will be placed with investors."

[Ganem] The treasury secretary said that, despite positive signs in Mexican economic development, inflation continues to scourge lower income groups, and the society as a whole.

[Petricioli] "The use of efficient economic measures must occur within still strict limits. Recovery must occur gradually."

[Ganem] Petricioli said that authorities will watch more closely the operation of the stock exchange to prevent shortages, speculation, and improper practices.

Another speaker was Ernesto Fernandez Hurtado, president of the Mexican Banking Association, who regarded the expanded activities of the stock exchange as desirable. He said the crisis has reached its limit and the country is ready to begin a steady growth.

He admitted, however, that there is uncertainty concerning the continuation of these strategies over the next few years. He expressed doubts regarding the recent fiscal reform and demanded bold measures to promote private investment.

[Fernandez Hurtado] "On a short-term basis, this incentive will increase true fiscal revenues more so than fiscal recovery measures to increase capital. These benefits would be hypothetical, obtained by the enterprises that acquired debts during times of inflation."

[Ganem] In turn, Miguel Mancera, director of the Bank of Mexico, reported that the country's international reserves are the now the highest ever. They reached $13,060 billion at the close of Friday last week. He explained, however, this should not signify the weakening of the drafted economic policy. He pointed out that it would be a serious mistake to let an exchange fetish come to life again in the form of a fixed peso-dollar exchange rate.

Accordng to Mancera, the inflation appears to be a phenomenon of primary concern.

[Mancera] "This aggravation could impair many of our current and future achievements."

[Ganem] Jalisco Governor Enrique Alvarez del Castillo also spoke during the opening ceremony. He welcomed the participants and referred to financial assistance in the form of bank credits, which Jalisco has received to foster priority activities.

[Lolita] Rita, could you tell me if De la Madrid made any additional remarks in Guadalajara?

[Ganem] Yes, Lolita. President de la Madrid attended a dinner with various social sectors of Jalisco State. There, he delivered a speech in which he mentioned PRI, stating that the party has received continuous support from the majorities because it has always been open to institutional changes. De la Madrid appealed to the revolutionaries to remain united and not provoke internal strife from which the PRI enemies, as the president described them, can profit.

[Lolita] Rita, was there a consensus among banking officials who spoke in Guadalajara today?

[Ganem] I would say there was, particularly concerning the concept that inflation is the primary enemy to be fought. I also think a majority of today's remarks represent the view tha the crisis has bottomed out and we have a new starting point. Recovery will be gradual and we have to move carefully, but we have the capacity for the recovery. We cannot expect miracles; we must climb carefully toward the recovery we all desire.

[Lolita] Rita, last of all, what do you think are the contributions the national banking forum will make this year?

[Ganem] Several topics are being discussed here; interest, the debt, finances, and the economy. Some of these could possibly seem very removed from the common realm. However, interesting and novel proposals and formulas will undoubtedly emerge to adjust policies so we can emerge from the crisis.

SPOKESMAN DENIES PRESIDENT TO MEET WITH REAGAN

FL122030 Mexico City NOTIMEX in Spanish 1952 GMT 12 Jun 87

[Text] Mexico City, 13 Jun [dateline as received] (NOTIMEX) -- The Mexican president's press office today denied a report released yesterday by some news agencies stating that Mexican President Miguel de la Madrid and U.S. President Ronald Reagan will meet in Cancun. The report, released to the media at the president's Los Pinos official residence by the president's official spokesman, Manuel Alonso Munoz, stated that although the presidents of Mexico and the United States have meet every year since 1982, no date or place has been set for a new meeting.

The spokesman added that Miguel de la Madrid and Ronald Reagan have met every year to discuss at the highest level matters related to the two countries. He said up to date, no contacts have been made between Mexico's Foreign Secretariat and the U.S. State Department to arrange a meeting between the presidents, thus, no date or place for such a meeting has been set.

EDITORIAL PRAISES DE LA MADRID'S U.S. STANCE

PA121344 Mexico City UNOMASUNO in Spanish 3 Jun 87 p 3

[Editorial: "Firmness Against U.S. Slander"]

[Text] In particularly straightforward terms, President Miguel de la Madrid yesterday rejected the periodic attempts the U.S. Government and private circles have made in recent years to attribute to our country a lack of interest in fighting drug traffic. The immediate cause of the Mexican president's reaction was probably the report on drug trafficking the U.S. State Department released on Monday. According to the report, 95 percent of narcotics consumed in the United States originate outside that country, primarily in Latin America and Southeast Asia. With characteristic arrogance, the State Department literally demanded that the entire world cooperate in preventing narcotics from reaching the hands of U.S. consumers, but avoided any reference to the huge distribution network that regularly operates across the United States.

De la Madrid thus confronted a problem in our bilateral relations that is not limited, of course, to the drug issue. Drug-related accusations leveled at Mexico have frequently had a political backdrop, as evidenced by the hearings held a year ago by a Senate subcommittee chaired by Jesse Helms, at which substantial slander was heaped on Mexico. U.S. conservative groups cannot forgive Mexico for working toward peace and rejecting foreign intervention in Central America. The matters of drugs, undocumented persons, internal elections, and even certain aspects of our bilateral trade have been used by circles in Washington to try to change the course of our foreign and domestic policies.

Washington's intervention most likely is currently increasing because Mexico will soon begin the process of presidential succession. If this is the case, yesterday's statements could not have been made at a more appropriate time. In addition, the Mexican president left no doubts as to the motive that led him to reject U.S. pressures. In Culiacan, he accused the United States of being the main market in which the drug traffic originates, thrives, and is most profitable -- while reiterating Mexico's commitment to continue fighting this social scourge. However, he more pointedly stated in Los Mochis that Mexico has opposed and will continue to oppose those who are trying to break the country's unity. Ill-advised attempts by certain Mexican conservative groups to obtain U.S. support for their own particular plans also did not go unanswered.

Several media sources -- including this newspaper -- have repeatedly criticized Washington's deliberate attempts to intervene in our domestic politics. However, these statements did not have the impact and forcefulness of a presidential utterance. This is why Miguel de la Madrid's statements yesterday in Sinaloa are supported by nationalist and anti-imperialist sectors.

## BRIEFS

OPERATION JUPITER RESULTS -- Mexico City, 10 Jun (NOTIMEX) -- The National Defense Secretariat carried out Operation Jupiter during the second half of May and the first week of June, and destroyed more than 3,000 marijuana and almost 3,000 poppy plantations. National Defense Secretary Gen Juan Arevalo Gardoqui today presented a report to President Miguel de la Madrid concerning the results of this operation, which was carried out from 18 May to 6 June throughout the country, as part of the permanent struggle against drug trafficking. Arevalo Gardoqui reported that 3,120 marijuana plantations and 2,890 poppy plantations were destroyed within an area of 750 hectares in 23 days. Also tons of packed or loose marijuana; 195 kg of marijuana seed; 32 kg of poppy seed; and 10 kg of opium paste were confiscated. The authorities arrested and arraigned 486 Mexicans and 8 foreigners; confiscated 2,040 assorted weapons; and destroyed 35 clandestine landing strips. [Excerpt] [Mexico City NOTIMEX in Spanish 0306 GMT 11 Jun 87 EL]

COCAINE CONFISCATION, ARRESTS -- Mexico City, 11 Jun (NOTIMEX) -- Panamanian citizen Leida Lelis Lujan Lan was arrested today at Mexico City's international airport for possession of 1.2 kg of pure cocaine, which has a black market value of 1 billion pesos (approximately $666,000). Judicial Federal Police arrested the drug trafficker when she tried to smuggle the drug into the country, packed in plastic bags taped to her body. Lesis Lujan arrived from Caracas on Aeromexico's flight 420. The Attorney General's office reported that 5,353 kg of pure cocaine were confiscated and 3 foreign drug traffickers were arrested last week at Mexico City's international airport. [Summary] [Mexico City NOTIMEX in Spanish 2034 GMT 11 Jun 87 FL]

COLOMBIAN TRAFFICKER ARRESTED -- Mexico City, 10 Jun (NOTIMEX) -- Colombian citizen Diego Fernando Barra Garcia was upon his arrival at Mexico City's international airport for possession of 3 kg of cocaine with an approximate value of 3 billion pesos (some $2.3 million). The drug trafficker arrived on Avianca's flight 080 from Colombia. The Judicial Federal Police says he had soaked 21 garmets with the drug. [Summary] [Mexico City NOTIMEX in Spanish 2040 GMT 10 Jun 87 FL]

TON OF MARIJUANA SEIZED -- Oakaca, Oakaca, 4 Jun -- The Federal Judicial Police [PJF] have seized 1 ton of marijuana worth over 1 million pesos. PJF Commander Christian Peralta Perez said federal agents discovered the drug when they intercepted a truck in which three drug traffickers were carrying it to Puerto Escondido. The marijuana was packed in plastic bags, ready for distribution. [Summary] [Mexico City EL NACIONAL in Spanish 5 Jun 87 p 6 PA]

NEW PRI YOUTH OFFICIALS -- The PRI's Revolutionary Youth Front FJR has elected Raymundo Arreola Ortega as secretary general and Jesus Diaz Gonzalez as coordination and execution secretary. [Summary] [Mexico City EL DIA in Spanish 6 Jun 87 p 2 PA]

ARIAS ACCEPTS POSTPONEMENT OF ESQUIPULAS MEETING

PA130413 Panama City ACAN in Spanish 0151 GMT 13 Jun 87

[Text] San Jose, 12 Jun (ACAN-EFE) -- Costa Rican President Oscar Arias did not show any sign of concern when he had to accept, at El Salvador's initiative, the postponement of the Central American presidents' meeting scheduled for 25 and 26 June in Guatemala. Arias ruled out the possibility that the peace plan he had presented last February may have been rejected by a certain county. Arias said he was sure that if Salvadoran President Jose Napoleon Duarte considers the postponement of the meeting advisable, it is to eliminate obstacles that may still exist, so that better results may be achieved in the end.

Before deciding on postponing the meeting, Salvadoran Foreign Minister Ricardo Acevedo Peralta stated that "only the postponement of the Central American presidents summit meeting will save" the Arias peace plan from failure.

Regarding any influence that may have been exerted by Philip Habib, U.S. special envoy for Central America, in the suspension of the presidents' meeting, Arias ruled out any negative action on Habib's part. "Habib is a good arbitrator, and politically he is not a messenger," President Arias said. The Costa Rican president was questioned by the news media at the end of a lecture he gave during a seminar on the humanization of the economic process being held in a hotel in the outskirts of this capital. "It is better we take our time," President Duarte said this morning when he asked his foreign minister to send the rest of the Central American presidents the message requesting the postponement of the meeting. Arias said today, however, that he hopes the meeting can take place "soon," because this cannot go on forever, he said.

Salvadoran President Duarte said this morning that he would ask the Central American presidents to postpone the "summit" meeting because the Central American foreign ministers should meet at least four times to prepare a basic document.

The Honduran and Costa Rican foreign ministers, Carlos Lopez Contreras and Rodrigo Madrigal Nieto, respectively announced this afternoon in Tegucigalpa the suspension of the "Esquipulas II summit," at the request of President Duarte.

The Central American presidents had planned to meet within 13 days in Guatemala to review the Arias peace plan "exclusively."

Summit 'May Still Take Place'

PA142110 San Jose Radio Reloj in Spanish 1330 GMT 14 Jun 87

[Text] President Oscar Arias, author of the peace plan for Central America, has revealed that the possibility still exists that the meeting of Central American rulers, scheduled for 25 and 26 June in Guatemala, may still take place. If the foreign ministers' meeting is held before 22 June, perhaps there would be no need to postpone the presidential summit, he said.

FOREIGN MINISTERS VIEW SUSPENSION OF SUMMIT

PA130312 Panama City ACAN in Spanish 0051 GMT 13 Jun 87

[Text] Tegucigalpa, 12 Jun (ACAN-EFE) -- The Honduran and Costa Rican foreign ministers said here today that the suspension of the summit meeting of Central American presidents in Guatemala does not constitute a failure in the search for a peaceful solution in the area.

Honduran Foreign Minister Carlos Lopez Contreras and Rodrigo Madrigal Nieto, his Costa Rican counterpart, stated that instead of feeling regret for the postponement of the meeting to an as-yet-undetermined date, they are thinking in terms of the fact that "Central America urgently needs peace."

The two diplomats announced this afternoon during a news conference in Tegucigalpa that Honduran President Jose Azcona Hoyo and Costa Rican President Oscar Arias Sanchez agreed to the request from their colleague, Jose Napoleon Duarte. Duarte today asked the other presidents that the meeting scheduled for 25-26 June in Guatemala be postponed, because he feels that the five Central American foreign ministers must meet first to draw up more precisely the documents to be discussed. The Salvadoran president also offered San Salvador as the site for the upcoming meeting of foreign ministers.

The postponement of the meeting does not entail any irresponsibility; "we have made a great and useful effort in searching for formulas to achieve peace," Madrigal Noriega added. He explined that, in addition to feeling that it is necessary that the foreign ministers meet first, President Duarte has a trip to Europe scheduled 25-26 June. Madrigal Nieto said the summit can be held 10 or 15 days after the return of the Salvadoran president from Europe. "This is not irresponsibility and his tour of Europe is not an invention either. It had already been scheduled," he said. "There is no sense holding a meeting without the presence of the Salvadoran president," he added.

Lopez Contreras said Honduras was and is prepared for the summit in Guatemala, and, for holding it on any other date, and that President Azcona was prepared to attend the meeting on 25-26 June whether or not meetings of foreign ministers were previously held.

A government spokesman told ACAN-EFE that the visit to Honduras on 16 June that Guatemalan President Vinicio Cerezo announced on Thursday may "also be postponed." Cerezo said he would come here to talk with President Azcona and discuss matters concerning the summit and the Arias peace plan.

For its part, the Salvadoran Government foresees a failure of the Esquipulas II summit. That is why it has suggested to the other Central American countries that it be postponed. The Salvadoran foreign minister said "only a postponement of the summit of Central American presidents will prevent the failure" of the peace plan that Costa Rican President Oscar Arias Sanchez presented in February. "What this demonstrates is that at this moment there is not a very favorable climate, which is absolutely necessary to hold this summit meeting, which is so important and has given rise to so much expectation," the Salvadoran foreign minister said.

Meanwhile, Duarte said this morning that he will instruct the Foreign Ministry to send letters to the Central American presidents so the summit can be postponed. President Duarte wants the foreign ministers' meeting to be held first, which would then be followed, at a later date, by the summit.

## Madrigal Discusses Arias Plan

PA131850 San Jose Radio Reloj in Spanish 0100 GMT 12 Jun 87

[Text] San Salvador -- Costa Rican Foreign Minister Rodrigo Madrigal today explained here that President Oscar Arias' peace plan is not opposed to Contadora's plan but is much more specific and originates from Central America.

Foreign Minister Rodrigo Madrigal is touring Central America to exchange viewpoints on Arias' peace plan. He met today with Salvadoran President Jose Napoleon Duarte and Foreign Minister Ricardo Acevedo Peralta. Madrigal left El Salvador this afternoon for Guatemala, the last leg of his tour of Central American countries with the exception of Nicaragua.

## PRESIDENT ARIAS REPORTS EUROPEAN TRIP RESULTS

PA091923 San Jose Radio Reloj in Spanish 1330 GMT 7 Jun 87

[Excerpts] Yesterday, President Oscar Arias Sanchez returned from Europe, where he spent almost 1 month seeking support for his peace plan.

Upon his arrival, Arias Sanchez said he was pleased with his trip to Europe. He found full support in some countries, while others expressed doubts, which were allayed, about his peace proposal. The support the European democracies offered the peace effort was significant, the president said. He added that he will attend the meeting of Central American presidents in Guatemala late this month.

After his trip to Europe, the United States, and Guatemala, Arias Sanchez said the meeting of leaders in Guatemala will be like laying the first stone of a great project: peace in Central America.

Arias Sanchez' proposal includes a cease-fire on the war fronts, the suspension of U.S. aid to the Nicaraguan contras, and the departure of all foreign military advisers from the area.

In statements to reporters at Santamaria Airport yesterday, the president said his government will study the possibility of protesting to the United States against the use of the Alajuela Airport to help the contras. Arias Sanchez said the commission investigating the Iran-contra scandal was surprised when it heard the Santamaria Airport [as heard] was used to refuel a contra airplane. He added that the recent disclosures in Washington about the use of Costa Rican airports to refuel Sandinist planes (as heard) prove that Costa Rica has not been tolerant of, or pleased with these activities. [passage omitted]

Arias' proposal includes a cease-fire in countries with a military conflict, free elections, the suspension of aid to irregular forces, general amnesty to political prisoners, and a reduction in weapons.

DUARTE DISCUSSES ESQUIPULAS, OCHOA STATEMENT

PA122330 Hamburg DPA in Spanish 2208 GMT 12 Jun 87

[Text] San Salvador, 12 Jun (DPA) -- Salvadoran President Jose Napoleon Duarte today expressed his concern that the peace plan proposed by the president of Costa Rica will not yield the results "that we expect; therefore, we would rather not sign a document that is not good," he said.

Duarte added that he is making this observation about the "Arias peace plan" because it contains certain confusing points; for example, the point providing time to show willingness to achieve peace. The Salvadoran head of state said: "I wish to give an example: If I call on the rebels to participate in a dialogue in a capital city garrison within the 60-day deadline specified in the Costa Rican president's document, and the rebel fronts claim that they do not like the place selected, or do not show up, that kind of maneuver or 'trick' will spoil the effort."

I believe, the Christian Democratic president said, that we have to establish deadlines, but we must also establish mechanisms, define a methodology, and establish priorities to eliminate ways of avoiding responsibilities.

According to the Salvadoran head of state, a number of aspects of the peace plan must be clarified to prevent Nicaragua from having pretexts to continue strengthening its totalitarian system, and to make it adapt to Central American democracy.

Duarte's observations, which were made public today, are in essence a reply to the positions that [Costa Rican] Foreign Minister Rodrigo Madrigal Nieto, who arrived in the country to learn about the official Salvadoran position, may have brought with him. Duarte expressed his thoughts at noon today to newsmen after participating in an official ceremony.

The Salvadoran president said that he will convoke a meeting of foreign ministers to define the points to be discussed during an upcoming Central American summit that will take place in Guatemala. Earlier, Honduras had convoked a meeting of foreign ministers to take place before the summit; Guatemala convoked a similar meeting afterward. This annoyed the Hondurans, who announced that they would not participate in the meeting of foreign ministers convoked by Guatemala.

In regard to other political issues, President Duarte said today that the statements made by Sigifredo Ochoa Perez, former commander of El Paraiso, Chalatenango, who returned to the country to participate in politics in opposition political parties, "are part of the democratic game we are experiencing."

Ochoa Perez yesterday criticized the Christian Democratic government and military authorities for the way in which they have handled the war. Duarte said that this constitutes "high treason" for which he would have been imprisoned in any other country, because although Ochoa requested a discharge, he did not yet know whether it would be accepted. Ochoa Perez returned from Venezuela where he had been a military attache for the past few months.

ORTEGA SENDS LETTER TO CONTADORA PRESIDENTS

PA140041 Managua BARRICADA in Spanish 11 Jun 87 p 3

[Letter from President Daniel Ortega Saavedra, commander of the revolution, to the presidents of the member countries of the Contadora and Support Groups; dated in Managua on 10 June]

[Text] Managua, 10 June, 1987

No one surrenders here.

To Your Excellency

Dear president and friend:

I have the pleasure of addressing you on the Nicaraguan Government's position on the negotiation efforts in Central America.

For my country, the construction of a just and stable peace in Central America requires the necessary and continuous effort of the Contadora and the Support Groups, which have been promoting the peaceful resolution of conflicts and affirming the values and principles of the international juridical order.

Nicaragua has firmly supported the peace effort promoted by the Contadora Group since its composition in 1983, as well as the effort by the Support Group, which has increased the Latin American consensus promoting a negotiated solution to the Central American crisis, and rejecting a military solution and the escalation of the war.

As an expression of its unyielding willingness for dialogue and conciliation, Nicaragua became the first country that, responding to an appeal by the Contadora Group, proposed in October and December 1983 a number of specific and detailed accords to be signed by Central American governments.

Always loyal to its vocation of peace, Nicaragua on 21 September 1984 was the only Central American country that agreed to sign the Contadora document immediately and without amendments. Weeks later, the U.S. Government reported it had "effectively blocked" the signing of the document and encouraged the drafting of a parallel document in Tegucigalpa by the representatives of the Salvadoran, Honduran, and Costa Rican Governments.

Barely 2 days after the Caraballeda document was released during a meeting in Guatemala on an occasion they would describe as "very important for the general peace process in the region," Central American foreign ministers expressed their support for the document signed by the Contadora and Support Group's foreign ministers on 12 January 1986.

On 15 January, we Central American presidents expressed our satisfaction over the statement signed the previous day by the foreign ministers. We reiterated our confidence in the possibility for and the benefit of dialogue and negotiation, as well as our determined support for the Contadora process.

The Caraballeda document permitted a number of priority and simultaneous actions to restore a climate of trust and understanding to disarm the policies of force, threat, and intervention.

Those same policies currently mobilize equipment and forces in unprecedented military maneuvers, the sole objective of which is to perfect the mechanism for a military intervention against Nicaragua. These actions threaten peace and security in the region.

Because of this, the Caraballeda document still needs to be fulfilled to stop foreign support for unconventional forces that operate in the region, to suspend international military exercises, to eliminate the presence of foreign military advisers and installations, to reach agreements on nonaggression by the five Central American countries, and to strengthen regional and international cooperation.

In addition, Nicaragua regards it necessary to keep in force the offer made at Caraballeda by the member countries of the Contadora and Support Groups to foster the resumption of talks between the United States and Nicaragua to settle disagreements and reach a possible understanding.

Distinguished president, in January 1987 Nicaragua reiterated its commitment to peace during the historic visit that the Contadora and Support Groups foreign ministers and the OAS and UN secretaries general paid to Central America.

On that occasion Nicaragua presented eight proposals regarding, among other things, foreign military presence in the region, relations with the U.S. Government and the neighboring countries, the joint document presented by the UN and OAS secretaries general, and economic and social matters in general.

During that visit in Managua, I told the foreign ministers and the UN and OAS secretaries general that the Nicaraguan proposals were not chained to each other and that any of the eight proposals could be implemented.

Convinced that peace entails the U.S. Government commitment and willingness to negotiate, Nicaragua reaffirms its full willingness to initiate a direct dialogue, without conditions with the U.S. government, in order to discuss security issues and reach specific agreements, along with adequate verification and control mechanisms that will address the legitimate security concerns of the two nations.

Because it will be a dialogue between sovereign, independent states and in view of the principle of nonintervention, internal political matters, which are the concern of the domestic law of each state, will not be negotiated.

I cannot but recognize the efforts made by Guatemalan President Vinicio Cerezo to promote a fruitful dialogue among the Central American nations. The efforts to create a Central American parliament and the summit of presidents that took place in Esquipulas on May 1986, in which we again ratified our support for the Contadora Group, are examples of the efforts made by the Guatemalan president.

The 1986 meeting in Esquipulas encouraged the continuation of meetings at the highest levels such as the one that will take place in Guatemala in June.

The proposal presented by Costa Rican President Oscar Arias within the context of the Contadora Group is another contribution for regional peace that joins other proposals presented by the Central American countries "which intend to create conditions for the signing of a document" and by no means intend to replace the Latin American framework of the diplomatic negotiation promoted by the Contadora Group.

Nicaragua will participate in the presidential summit in Guatemala with good will and readiness for a dialogue. It will make its best efforts to strengthen the Contadora Group negotiations and produce specific results for the attainment of regional peace through its active cooperation.

The Nicaraguan president hopes that the Central American presidents will attend the presidential summit with the same Latin American spirit of respect for the people's right of self determination and nonintervention in states' internal affairs that is honored in the Caraballeda message as part of the permanent bases for peace.

Distinguish president, please receive my sincere greetings withour deep recognition of your devotion to the cause of peace in Central America,

Fraternally,

Daniel Ortega Saavedra

COORDINATING BOARD BLAMES CRISIS ON GOVERNMENT

PA131711 Managua BARRICADA in Spanish 10 Jun 87 p 2

[Text] The Ramiro Sacasa Coordinating Board made a surprise reappearance yesterday and issued a "new" political "statement" reiterating its support for a dialogue with the counterrevolutionaries (who they call the political-military opposition), "backing" the Arias plan as the only peace formula for Central America, and repeating that the Sandinist government is responsible for the economic crisis.

The directors of the Coordinating Board met in the Social Democratic Party headquarters, where Julio Ramon Vilchez of the Social Christian Party read a three-page document that asks the Sandinist Front to virtually dismantle the government and return to the "original government program of June 1979."

The board, which is a minority group, proclaimed itself a "legitimate defender of Nicaraguans" and affirmed that the presidents who meet in Guatemala must take into condideration its position.

The Coordinating Board's document is a repeat of previous ones. However, the group has now discarded Contadora as the main negotiation entity because, according to Mrs Miriam Arguello, "We have already thanked Contadora because it has already failed." [sentence as published]

Carlos Huembes, recently named president of the coordinating board; and other rightist politicians merely stated: "That is false" in response to a U.S. journalist who asked them to state their opinion on charges published in NEWSWEEK that the Managua Archdiocese has received hundreds of thousands of dollars from the CIA and Colonel Oliver North.

The directors of the Coordinating Board, in addition to ignoring the aggressive situation described in the document, said "there are some U.S. sectors interested in provoking a break in the church-state dialogue in Nicaragua."

When asked which sectors they were referring to, Garcia Vilchez said: "It is all part of the powerful propaganda apparatus of the Sandinists."

CDN DOUBTS REPORTS ON CIA FUNDING OBANDO

PA120622 Paris AFP in Spanish 2213 GMT 9 Jun 87

[Excerpts] Managua, 9 Jun (AFP) -- The Opposition Nicaraguan Democratic Coordinating Board (CDN) stated today that the FSLN could be promoting a wave of rumors against Cardinal Miguel Obando "to break up the dialogue between state and church" in Nicaragua.

CDN leader Ramon Garcia also said: "We do not believe" reports that appeared in the latest edition of the U.S. magazine NEWSWEEK, stating that the Managua archbishop received funds from the U.S. CIA.

Garcia added that in the United States as well there are people interested in disrupting the state-church dialogue and that the governing FSLN "is capable" of arranging a campaign for that purpose.

The dialogue between state and church began in September, but observers today noted that it could be suspended due to NEWSWEEK's revelations.

Cardinal Obando yesterday described the report as "slanderous, with the purpose of denigrating the church," and denied having received aid from the CIA. [passage omitted]

Political sectors in Managua noted today that the church hierarchy -- headed by Cardinal Obando, who has periodically been harshly critical of the revolution, has been placed "on the defensive" by the U.S. media reports.

The local press, including the newspaper BARRICADA, official mouthpiece of the FSLN, did not skimp on space in their Tuesday editions in carrying the U.S. reports as well as Obando's reaction.

BARRICADA's headline today read: "Cardinal Obando Linked to CIA Money," while the other morning newspaper, EL NUEVO DIARIO questioned: "Did the CIA and North Send Dollars to the Archidiocese?"

MERCADO, INTERIOR MINISTER VISIT CZECHOSLOVIAKIA

For Prague reportage of the visits to Czechoslovakia by Interior Minister Tomas Borge and the Interior Ministry delegation, and by Vice President Sergio Ramirez Mercado, see the Czechoslovakia section of the 15 June East Europe DAILY REPORT and subsequent issues.

GENERAL NORIEGA ON DIAZ HERRERA, SITUATION

PA142300 Panama City Radio Uno Soberana in Spanish 2120 GMT 14 Jun 87

[News conference with General Manuel Antonio Noriega, Panama Defense Forces commander in chief, with foreign and national newsmen at Enrique Malek Airport in David, Chiriqui Province, on 14 June -- recorded]

[Text] [Reporter] General, Mr Roberto Diaz Herrera, made some statements today rejecting asylum in Spain, which had already been granted him, because he said the opposition political parties told him to stay. Moreover, he said that 30 Defense Forces officers had been kicked out of the country. What do you say to this, General?

[Noriega] As far as I am concerned, there is no logic in these statements, therefore we do not... [changes thought] moreover, those statements are full of illogical things that we cannot lose our time answering. What is behind all this movement which the Panamanian society has been going through in the last few days? Well, simply stated, it is the desire on the part of a group who lost power and is trying to recover it in an easy way, in order not to wait for the 1989 elections. The democratic system stipulates that the elections are to be held in 1989, but that group desires violating the democratic system and producing elections supported by foreign forces in the Republic of Panama so that they may easily reach the power which they cannot reach in a popular manner.

[Reporter] Gen Noriega, what is your message for those Panamanians who are not identified with these groups of the oligarchy?

[Noriega] My message is that this is a land of peace, this is a country headed for total democracy, because it has a challenge for the year 2000, which is the date when the United States will transfer the lands and the security system of the Panama Canal to the Republic of Panama. Therefore, all Panamanian forces, both civilian and military, must be totally professional. We have young professional people who are preparing to take over the administration of the Panama Canal in 1999. And we as a defense force have the responsibility to prepare our cadres professionally so that this canal will be safe, neutral, open to all flags, and without any ambush for any country in the world.

[Reporter] [Words indistinct] seeking increased conversations with the United States?

[Noriega] No. Absolutely not. We do not feel that is the case. We feel that at the moment there is political heat [calor politico] and the opposition politicians are looking for ways to easily recover the power they lost in 1968.

[Reporter] Do you feel that [U.S.] Ambassador Davis has acted in any way that is not proper?

[Noriega] Ambassador Davis has behaved like a U.S. citizen. He has to be loyal to his own flag, but he has behaved -- inside the Republic of Panama -- with a lot of serenity, a lot of tact. That we can affirm, that he is a man who has had much tact at these critical moments, above all when they are trying to get him, to use him as a guarantee of the cause of the opposition. He has too much tact.

[Reporter] How do you see the situation of the country at this moment, General?

[Noriega] At this moment there is a trend for the situation to return to normal; the trend is for the citizens to reflect and gain awareness. We must maintain the peace in this country because war [words indistinct] this would be like a barroom brawl -- both the customer and the bartender would suffer. This land is too small, we all know one another. We all agree in the desire to leave in peace.

[Question indistinct]

[Noriega] We feel that Panama's upright position as regards its foreign policy, its nonalignment, its policy of not committing itself to war, its policy of not aiding either organizations or entities trying to spread the war or to violate peoples' self-determination, is what makes Panama the target of conservative groups from certain countries which want to destroy that upright position. That is why they have tried to buy off people, to buy off organizations, and to damage the prestige of organizations such as Contadora, so Contadora will not be able to fulfill the peaceful role it has in the area.

[Reporter] [Words indistinct] said he advocated and was the spokesman for a negotiated solution with the opposition.

[Noriega] Well, all these things belong to the human mind. Each is the master of his own mind. Some proclaim themselves mediators between God and man through exorcism. Others proclaim themselves mediators between the opposition and the government through juggling. This is the problem. [laughs]

[Reporter] Are you not worried about a businessman [word indistinct] leaving the country?

[Noriega] He did not have any problem here at the time he left. Gabriel Luis Galiano has no problem here. Officially, he had no problem with us, I mean the Panamanian state.

[Question indistinct]

[Noriega] Well, that question [words indistinct]. I can say the Panamanian people trust me.

[Question indistinct]

[Noriega] Well, the U.S. Government.

[Reporter] [Words indistinct] foreign forces that have been acting behind the events in these past days?

[Noriega] I read in the papers that Ecuadoran President Leon Febres Cordero has reported the German economic organizations that are trying to destabilize Latin American organizations and nations. There are groups of conservatives in the United States who have never accepted Panama as the sole owner of its territory and that it is not a U.S. colony. This is a conservative group. This is why we cannot say the U.S. Government, but rather it is conservative groups in the United States who keep supporting the slogans of the Panamanian opposition.

This helps these conservatives continue to fly their colonialist banners in a country from where, and in a time when, colonialism was buried a long time ago.

[Reporter] General, [words indistinct]

[Noriega] Some have been detained. They are the poor people who lack sponsors. Those are the naive people who were surprised. They are in prison because they do not have any sponsors. All the rich, who do have sponsors, have been released by strange-acting authorities....

[Reporter, interrupting] How many are detained?

[Noriega] I beg your pardon?

[Question indistinct] [laughter]

[Noriega] Well, we are trying to prevent this from turning into a struggle of classes, a struggle between blacks and whites, between rich and poor. Here, there are more blacks than whites and more poor than rich.

[Reporter] [Words indistinct] the petition filed by the Panamanian Church?

[Noriega] Well, the Panamanian Church plays a difficult role, because all the forces are trying to pressure it. They should balance out all those pressures.

[Reporter] General, what do you think about the position of the Christian Democrats to [words indistinct] in El Salvador?

[Noriega] Well, this is what fishing in troubled waters is because this is how the foreign powers' support operates. This is a behavior pattern that has been used in other countries.

[Reporter] General, do you anticipate similar problems as 11 October draws near?

[Noriega] Yes. We have mentioned ambushes in the path toward the year 2000. Why? Because, as the last of the colonialism draws near here in Panama, there are some who want this stake to remain here, to quote Torrijos. There will be problems. The generation of 1989 and onwards will have its own problems. This generation of ours can set the example of dignity and patriotism, that the Panamanian patriots will not surrender or sell the homeland. As the United States maintains its sovereignty [words indistinct] Panamanians express their patriotism and fix their destiny.

[Reporter] General, this morning Ovidio Diaz, president of the Legislative Assembly, reported a plan to introduce the Philippines syndrome in Panama. What information do you have about this?

[Noriega] Well, I think the information released by the president of the Assembly is more than enough.

Further Report

PA140126 Panama City Panavision Television in Spanish 0003 GMT 14 Jun 87

[Interview with General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, by unidentified foreign correspondents; place and date not given -- live or recorded]

[Text] [Reporter] Why did you decide to suspend the Constitution?

[Noriega] The articles of the Constitution were suspended by the president and his cabinet in view of the violence that had developed the day before and during which private property was damaged. There was danger of confrontations between the citizens and those who were destroying private property. This was why the president suspended those articles. The president has the right to do this.

[Reporter] Do you agree with the measure adopted?

[Noriega] As guardians of public order we agree because the violence was already turning into something else.

[Reporter] How long will this last?

[Noriega] As you already know, the cabinet said it would last 10 days.

[Reporter] General, your political enemies have accused you of corruption, murder, electoral fraud [5-second break in reception]. Why are you being subject to so many constant attacks on the part of the opposition in this country?

[Noriega] There is a very simple explanation for this. I am not the target; the institution is the target. If we go back in history we will find that the same charges were made against General Torrijos. If we go back even farther, when Remon [Former Panamanian President Jose Antonio Remon Cantera] was commander of the institution, we will find that he was also the target of similar accusations. We find that the institution is always a target when nationalist banners rise. Whenever the nationalist and patriotic banners rise to make demands, charges like these are made against the leaders since they are the ones who represent the institution. If the leadership were to change tomorrow, the charges would not end.

[Reporter] This country's opposition claims that the institution is Panama's de facto government. They claim that the Armed Forces are currently governing the country with a puppet president as the head of that government.

[Noriega] That is being disrespectful to the president. The president is the one who drafts the government plan; he personally handles the problems of government. He does this with his ministers. Our duty is to offer institutional support to the president and the government. We work in faraway places where private enterprise and the government cannot operate. We carry out development tasks in those areas. Our institution is based on development principles.

[Reporter] One last question, General Noriega. The charges and attacks you mentioned have been made in the past. However, the bomb exploded with Colonel Roberto Diaz Herrera's statements. Why is it that statements made by a military man, a former comrade-in-arms, can unleash a crisis such as this one? This is something that is difficult to comprehend outside Panama.

[Noriega] Difficult because you are viewing it from another point of view. I believe you have been here for some time and you may have noticed that the opposition picked up those statements. The opposition has picked its own targets. As a person, he is no longer important. He can fall, but his statements are being used as an open banner. If you analyze this sitution coldly you will find that the opposition has picked up the statements and is using them without taking time to find out if they are true or not. These statements just helped the opposition to begin a protest.

Panama has 2 million inhabitants. We have seen a group with one way of expressing itself, but there is also another group that has a different way of expressing itself. I have seen the two groups in contradiction, or opposition.

[Reporter, in English] General, what goes through your mind and heart when you see that anger coming out in the manifestation?

[Noriega] I was born in Panama; I went to school in Panama, and this is Panamanian history. Those who want power make different kinds of manifestations. This is nothing new. The hankerchiefs, banners, slogans, and leaflets are things that are part of our political history.

[Reporter, in English] General, let me ask you one another question: Do you have any reason to believe the United States is trying to destabilize the government through these actions? Is there some unseen hand at work here?

[Noriega] The U.S. Government is so big that we would have to know what the government is. Logically speaking, the U.S. Government, the U.S. leadership, would not benefit from destabilizing Panama, not even with unseen hands. The United States would not benefit from activating an opposition. The analysts can see that the outcome could be a class war; a war of the rich against poor. This is what the opposition is trying to do, and this is dangerous.

[Reporter] Another question along the same line. What role do you think the U.S. Government has played in the recent incidents? Do you agree with President Delvalle when he says the United States wants to promote violence to subtract importance from the canal agreements?

[Noriega] I repeat, the president of the Republic is the head of the Panamanian state. This is stated in our Constitution. Therefore, he must have a reason to make such a statement. We must be more cool headed, more analytical. As I said, the word government is so broad in the United States that it would be difficult to explain who in the government, what group in the government, what side of the government -- the conservatives who are traditional enemies. [sentence as heard] In the United States there is a group who are traditional enemies of Panama. They still think that Panama is their colony. They do not want to return the land or the canal to Panama. That ultraconservative group -- this is not a new group -- is the one manipulating, supporting, and promoting destabilization in Panama.

[Reporter] Do you think the North Americans have played a part in this [words indistinct] violence?

[Noriega] Well, North Americans is too broad a term...

[Reporter, interrupting] The government [words indistinct].

[Noreiga] You see, Lore, it is a spectrum so large we should not make any mistakes. And so as not to make mistakes one has to point out that there are enemies of Panamanian patriotism. There are enemies of yesterday, there are enemies today, there will be enemies in 1999. Those are the enemies who daily contribute toward preventing us from achieving this.

[Reporter] This is to lessen the importance of the accords.

[Noriega] Right, to invalidate the accords and try to demonstrate the Panama is not prepared to receive the canal. This is the core of the situation, that Panama is not ready to assume control of the canal. This is the target. They want to show to the world that in Panama there is disorder and corruption and that no professionalism exists in Panama. All the time, the opposite has been true. This group uses Panamanian political groups to achieve its objectives. This is the truth.

[Reporter] A few days ago we said that in the United States there are many sectors that (?oppose) the government as an institution. When the Department of State made a statement, it did so on behalf of the government. In this statement, the Department of State requests an in-depth inquiry of the charges made by Col Diaz...

[Noriega, interrupting] Yes, of course.

[Reporter] The Department of State statement also mentions pure, nonfraudulent elections without specifying a date. What is your reaction to this request for an inquiry?

[Noriega] It is the Foreign Ministry that should react to this because such a request entails an opinion of a nation about another. It is something similar to the council of state in San Miguelito -- a corregimiento in Panama City -- approving a resolution asking for an analysis of the elections in the state of Georgia because there was corruption or fraud and that the facts of the case in the murder of President Kennedy be established. Panamanians look upon this request with some disquiet. It is the Panamanian Foreign Ministry that should express an opinion about this. Anyway, this is a problem of the Panamanian State as such in its self-determination and according to the fundamental principles of a liberal state. Its self-determination, liberty, and personality are entailed here.

[Reporter] As the commander of this country's Defense Forces, whose role is it to defend the sovereignty of the homeland? Do you see this request as an intervention in Panama's sovereign affairs? What is your analysis of the comments which have often been uttered by the Senate, the State Department, and the U.S. Embassy here in Panama?

[Noriega] Those rumors bother any Panamanian because they represent a direct intervention of a neighbor in someone else's home. If they want democracy and free play, let them win the 1989 elections. Why do they want to have President Delvalle removed?

[Reporter] Do you think they will not be able to win the 1989 elections?

[Noriega] Well, apparently so. Apparently there does not exist the people's power necessary to win them.

[Reporter] Then this situation would have been brought about to create a climate [words indistinct]?

[Noriega] Precisely. It would be like profiting from the problem in the Philippines. They want to duplicate the problem of the Philippines in Panama, but it does not fit. The two are different patterns.

[Reporter] Ricardo Arias Calderon has said that Marcos went first and now it will be Noriega's turn.

[Noriega] No comparison is possible, first of all. In the second place, this country is not the Philippines or Haiti.

[Reporter] You have not been ousted in your country [words indistinct].

[Reply indistinct]

[Repoter] [1 second break in transmission] work in various inquiries [words indistinct].

[Noriega] It is up to the Attorney General's Office. There is a judicial branch here. They can do it. The possibility is open. So, where is the evidence? Where is it? Two years have passed. Where is it? They said they have the evidence. Let them present that evidence. Where is it?

[Reporter] Well, we hope the murderer...

[Noriega, interrupting] Well, but now we know it was Reagan. This is what has been said, so now, we know it was Reagan, eh? [the two laugh]

[Reporter] There will not be here... [changes thought] what was it you said?

[Noriega] In that case, poor Reagan will have to be brought to Panama to testify, eh? You think it was Reagan? No? So why do some people think it was Noriega?

Comments to Chiriqui Newsmen

PA150005 Panama City Domestic Service in Spanish 2151 GMT 14 Jun 87

[News conference by General Manuel Antonio Noriega, Panama Defense Forces commander in chief, with local newsmen at Enrique Malek Airport in David, Chiriqui Province, on 14 June -- recorded; broadcast in progress]

[Text] [Noriega] ... [words indistinct] what is at stake here is not today's time, what is at stake here is 1999, the time of our children and grandchildren. Therefore, there is a need for maturity and professionalism. Political passion is not reasonable.

[Reporter] Do you feel the Panamanian people are aware of the situation?

[Noriega] The people are very aware of the current situation, and that is where the danger lies, because the people are silent, and a people silently watching can sway in any direction. That is where the danger lies. There is the danger that a class struggle may start here, where the poor people, who are in the majority, will go out on the streets to seek revenge against the rich. That is the problem.

[Reporter] Gen Noriega, when are the constitutional guarantees going to be restored?

[Noriega] According to the presidential decree they were suspended for 10 days, unless something unforeseen comes up.

[Reporter] [Words indistinct] are any of those people who took part in the conspiracy then taking part this time against you?

[Noriega] [Words indistinct] yes, the hands of the same people are involved. Treason is like a snake [words indistinct].

[Reporter] General Torrijos [as heard], is it true that 18 Defense Force officers [words indistinct]?

[Noriega] Totally false. Totally false. Totally false. [repeats himself]

[Reporter] There are rumors circulating, General that Carlos Arellano Lennox [Christian Democratic Party Vice President] is dead.

[Noriega] Totally false. That is part of the conspiracy to sow confusion and lies to produce unrest.

[Reporter] General Noriega, in Panama the Defense Forces have reacted to rocks thrown by demonstrators. There have been no rocks thrown here in Chiriqui. Why, then, have there been tear gas bombs?

[Noriega] We should ask Major Del Cid, who is responsible for this area. We have requested all our officers to remain absolutely calm. Proof of this is that in Panama we have about 30 injured by rocks. We have put up with all this, as our contribution to peace. Del Cid was telling me that rocks were in fact thrown, and I demanded that the officer who made that mistake be punished, and he was admonished, because it is precisely here in Chiriqui where we desire violence least of all.

Further Comments

PA150128 Panama City Domestic Service in Spanish 2156 GMT 14 Jun 87

[News conference by Gen Manuel Antonio Noriega with Spanish correspondents in David, Chiriqui province on 14 June -- recorded]

[Text] [Reporter] Would you please summarize the true situation right now in Panama, an apparently conflicting situation?

[Noriega] Because some have attempted to create an urban revolt through violent actions against private property, the president of the Republic has suspended personal rights according to the Panamanian Constitution and bylaws. In this way, the government has been enabled to control the antisocial people who had already begun destroying this property. At present, they are carrying out civil disobedience that lacks the people's support. They are arousing a struggle of classes, a struggle of the rich. A foreign correspondent said this is a struggle of the rich because the poor were absent from the area. Some paid antisocial people were there, but not the people in general in this demonstration of anger and resentment. This movement is of an economically active group against the government and for power.

[Reporter] What do you think has been Colonel Diaz Herrera's true intention with those accusations that gave rise to this situation?

[Noriega] Well, honestly, and because this is aimed for Spain, it is necessary for us to establish our position in time and space. If we consider the unfortunate remarks of this gentlemen, they are entirely contradictory. A new contradiction occurs every day. As a result, we no longer pay any attention to them. The Panamanian courts will attach the proper importance to these remarks. As proof of this, I can say that, even if he recants, the opposition continues to express their resentment. This means that tnis is not a plan of Diaz Herrera's, but the opposition's, in which he played the role of an unwitting tool.

[Reporter] I understand that these remarks entail a destabilization plot.

[Noriega] Yes, there is destabilization plot. We do not deny it. This is so. It followed a pattern, but they misconstrued the time. They thought the moment to act had arrived. The catalysts were misinterpreted.

[Reporter] What was the nature of this plot which, apparently, as you have said, was following a process [words indistinct]?

[Noriega] We have an objective. In Panama, we have a doctrine and a religion. This is the Panama Canal. This canal must revert to Panama at 1200 in December 1999. All civil organizations, youths, trade unions, and industrial and professional organizations are getting ready to administer this canal. This is why every parent has sent his children to become better, to study the technology of other countries. We, the military, are also training. We are seeking something else in addition to politics. We seek military professionalism. We are participating in the science and art of war as regarded by the great powers, for which the Panama Canal will be either a target or a great banner. We have a mission as the military. Civilians also have a great mission as such. United, we can progress toward this transformation.

One detail must be mentioned. Two things will coincide in the year 1989. One is the elections. Whoever wins them must have the people's support in his hands to be able to negotiate with the United States any final agreement on the canal's territory and security. The other is that in 1989 the director of the Panama Canal Commission will be a Panamanian citizen. The current one is a U.S. citizen. All this indicates here is a premediated plan to achieve these two objectives, which entail taking power through force. [sentence as heard]

Because the political organizations know they do not enjoy the people's support, they seek power through foreign intervention in the form of money of any organization, as [Ecuadoran President] Febres Cordero has reported about German organizations. Another form is the lobbying and support of the ultraconservative groups of the United States, who have always thought that this land belongs to them and that this is a U.S. colony.

[Reporter] Apparently, this is regarded as a U.S. colony to such an extent that Washington is very much (?concerned) about Panama's current situation. So much so that, according to a telegram, the United States is determined to withdraw its current support.

[Noriega] Well, it is natural because there are great interests here. There is a treaty in force here. They would similarly become concerned over any problem in the ROK, Spain, and the Persian Gulf. This is only natural because there are U.S. interests there. We do understand this, also. We know how to assess this as the weak country that we are.

[Reporter] Finally, General, could this situation lead to a confrontation among Panamanians? This would be almost like a civil war. What chances do you see for this?

[Noriega] Well, I think the mismanagement of the conspirators' class groups failed to notice this. This has now emerged in their faces because it will be a struggle of blacks against whites and of poor against rich. There is a majority of poor and blacks here. This is dangerous. For this reason we are trying to avoid a polarization of these energies which would be very difficult to contain. We know who would win this struggle. Nevertheless, this would not represent a victory for anybody, but a loss for the nation.

[Reporter] Is there any possibility of a haven of peace being established in Panama within the volcanic Central American situation? Will it cease to be a volcano?

[Noriega] I don't think so. As pilots say, Panamanians always have a light, a beacon in the middle of the storm.

[Reporter] Do you (?have any comments) on the political asylum that Spain has granted to Col Diaz Herrera?

[Noriega] Absolutely nothing. I have already been told, however, that he wants to go to South Africa.

[Reporter] Thank you.

FORMER COLONEL DIAZ HERRERA REQUESTS ASYLUM

PA122223 Hamburg DPA in Spanish 2152 GMT 12 Jun 87

[Text] Panama City, 12 Jun (DPA) -- Former Chief of Staff Colonel Roberto Diaz Herrera this afternoon requested political asylum from the Spanish Government.

According to a spokesman for the former colonel, Diaz Herrera has sent a letter to President Felipe Gonzalez requesting "urgently a plane so he can leave with his family."

Six days ago Diaz Herrera filed charges against Commander Manuel Antonio Noriega that have unleashed a wave of riots in Panama City.

Constitutional guarantees were suspended yesterday in the country.

Spain To Grant Asylum

PA141231 Paris AFP in Spanish 1203 GMT 14 Jun 87

[Text] Madrid, 14 Jun (AFP) -- Spain will grant political asylum to Panamanian Colonel Roberto Diaz Herrera, former second in command of the Panamanian Defense Forces, who has confronted Panama's strongman, General Manuel Antonio Noriega, the director general of the Diplomatic Information Office (OID) announced here today.

Director General Inocencio Arias said the decision has been made 'because of humanitarian reasons' and in agreement with the Panamanian Government.

Diaz Herrera asked Spanish Prime Minister Felipe Gonzalez for political asylum in a personal letter that states that the attempted coup d'etat in Spain on 23 February 1981 "would be pale in comparison to the slaughter under way (in Panama)."

The Panamanian colonel has accused Noriega of fraud in the 1984 elections and of being involved in the deaths of opposition leader Hugo Spadafora (which occurred in September 1985). His statements have provoked a crisis situation in the Central American country.

The OID director did not make further comments on the case nor on Diaz Herrera's request to the Spanish prime minister for a plane to be sent to Panama so he and his family can leave.

Diaz Herrera Sets Terms

PA150019 Panama City ACAN in Spanish 2306 GMT 14 Jun 87

[Excerpt] Panama City, 14 Jun (ACAN-EFE) -- Retired Colonel Roberto Diaz Herrera, who set off the political crisis that Panama is experiencing, this afternoon set conditions for his political asylum in Spain, including lifting of the state of emergency imposed by the government on Wednesday.

In a letter addressed to the Spanish ambassador in this capital, Tomas Lozano, which was sent through ACAN-EFE, Col Diaz, who up until half a month ago was the chief of staff of the Panama Defense Forces [FDP], responded to the granting of asylum with a list of 7 "general considerations" and 13 "private" considerations. Among these conditions, Diaz Herrera requested "the immediate reestablishment of the constitutional guarantees that were lifted and an end to the repression against the people in their peaceful demonstrations."

Diaz Herrera also requested an inspection of the prisons by the diplomatic corps accredited to the Panamanian Government to "guarantee that the people arrested as a result of "my public statements," are released and that the inspection "include the participation of the communications media," he said. [quotation marks as received] He also set as a condition for his asylum in Spain, which has already been granted -- as was announced by diplomatic sources in Madrid this morning -- showing to the communications media of all the members of the General Staff "to guarantee their safety." [as received] He also requested the identification by name and reason for the departure at 0600 (1100 GMT) Saturday at the Air Force Terminal of "at least 17 members of the FDP" who were "handcuffed" and an explanation of their destination.

Among the "private considerations," he requested "that the flight to Madrid be a special flight to prevent any attack by specialized, national, or foreign agents" and that he be accompanied by a member of the Spanish Foreign Ministry and Ambassador Tomas Lozano.

Among those people who the conlonel requested "for his spiritual assistance during the flight" is Panama Auxiliary Bishop Oscar Brown and another one appointed by the curia, as well as another official of the Spanish Civil Guard. The retired officer also expressed his wish to "undergo a psychiatric examination."

Diaz Herrera also wants to make a public explanation of his actions in regard to his going to Spain as a political exile and that all the brothers and cousins of General Omar Torrijos, his cousin, appear before the communications media to guarantee that "none of them have been the target of reprisals."

For his part, the Spanish ambassador to this capital, Tomas Lozano, told ACAN-EFE that he has relayed the terms set down by Diaz Herrera to the Spanish authorities for their consideration.

Ambassador Lozano added that the granting of most of the conditions made by Diaz Herrera are "within the purview of the Panamanian Government" and that if Spain were to even consider them, "it would be interfering in the domestic affairs" of Panama.

Nonetheless, the diplomat said "Spain confirms its asylum offer for humanitarian reasons." [passage omitted]

ASSEMBLY PRESIDENT SAYS DIAZ HERRERA CAN LEAVE

PA141934 Panama City ACAN in Spanish 1854 GMT 14 Jun 87

[Excerpts] Panama City, 14 Jun (ACAN-EFE) -- Ovidio Diaz, president of the Legislative Assembly, said that the Panamanian Government is not opposed to Colonel Roberto Diaz Herrera leaving the country, because one cannot take legal action against a person who has shown he is "incoherent and mentally unbalanced." "If we bring him to trial, we would have to get the U.S. Government to provide statements from Ronald Reagan, George Bush, and General Wallace Nutting," Ovidio Diaz told ACAN-EFE. [passage omitted]

The Panamanian Legislative Assembly president, who held a news conference this morning, said the only thing Diaz Herrera has done is make charges, but without presenting proof to support his charges.

"If he (Diaz Herrera) presents proof of his charges, then an investigation would have to be undertaken, and that problem is the concern of the attorney general and the judicial branch," Ovidio Diaz explained.

On his part, Javier Solis, vice president of the Legislative Assembly, said that once everything "returns to normal," the retired colonel should face the ordinary courts. "As a legislative body, we think some measures are going to be taken" regarding the Diaz Herrera case "because we have to give some explanation to the citizens," Solis said. He added that the disclosures of the former chief of the General Staff shook the people in general "but it has been discovered that behind those disclosures are economically powerful sectors that, in combination with external forces, want to break the constitutional order and seize political power." "Once everything was discovered," Solis added, "the popular sectors and the rest of the country have stayed on the sidelines waiting to see what will happen, because it is the multimillionaire Panamanians who manage the banks and the industrial sector who are trying to seize political power."

Javier Solis told ACAN-EFE that the protest movement has weakened because it has not had support from the eminently poor neighborhoods of the capital, and that the forces in the interior of the country add up to 80 percent of the republic. [sentence as received] "The Panamanian Government is democratic, so much so that despite the state of emergency, it has permitted groups to demonstrate in the streets and hold meetings, thus permitting the free play of ideas," Javier Solis stressed.

DIAZ HERRERA LINKS NORIEGA, MADRINAN TO DRUGS

PA122336 Bogota Radio Cadena Nacional in Spanish 2232 GMT 12 Jun 87

[Text] Colonel Roberto Diaz Herrera charged today that Panamanian military chief General Manuel Antonio Noriega is a drug-trafficking boss. Diaz Herrera made this charge in a message he sent this afternoon to Spanish President Felipe Gonzalez. In that document he requested political asylum and linked Mayor Nivaldo Madrinan, one of the high-ranking military chiefs of Panama [National Department of Investigations Director and chief of Special Narcotics Force] to operations related to drug-trafficking.

DIAZ HERRERA SAYS SOLUTION MAY COME FROM U.S.

PA121919 Panama City ACAN in Spanish 1826 GMT 12 Jun 87

[Text] Panama City, 12 Jun (ACAN-EFE) -- The solution to the crisis in Panama "may come from the United States, because it can pressure General Noriega," Robert Diaz Herrera stated today. Diaz Herrera's statements a week ago prompted a protest campaign against the Panama Defense Forces [FDP] commander in chief.

"The U.S. Government is fully capable of pressuring Gen Noriega so this matter can come to an end," Diaz Herrera stated during an impromptu news conference.

The former chief of staff, who retired in late May, blamed Noriega for designating or ousting government officials in a whimsical manner, of manipulating the 1984 elections results, and of several other crimes. The statements have given rise to protests by civic and political groups which have been confronting the FDP forces on the streets since Monday. According to Diaz Herrera, that reaction is evidence that "the people are the ones who are toppling Noriega, not I," the former officer stated. Within the Armed Forces, he added, there is also discontent among groups that "reject Noriega." "It is not that they support me, but rather they are sick of receiving fradulent orders against the people." "Noriega" he noted, "is an immoral man who wants me dead. I listened on the radio to the order for my own death."

About a possible request for asylum in the Venezuelan Embassy, Diaz Herrera said the possibility of being given protection at his own home is being studied, explaining that his children and wife, Maigualida, are Venezuelan. The Panamanian Catholic Church "is making efforts" to have this request fulfilled.

The Diaz Herrera family dismissed the idea of leaving the country after the wife of the former chief of staff said there were orders "not to let them leave the airport alive." Robert Diaz Herrera lives in a residential neighborhood with his wife and four children.

PRD OFFICIAL SAYS U.S. 'PRESSURING' GOVERNMENT

PA132051 Paris AFP in Spanish 1900 GMT 13 Jun 87

[Text] Lima, 13 Jun (AFP) -- The U.S. Government is "directly pressuing the Panamanian Government to force that government to give up its activities within the Contadora Group," Nils Castro, secretary of international relations of the Democratic Revolutionary Party [PRD] of Panama, said today in Lima.

The Panamanian politician, who leaves tomorrow for Santiago, Chile, is in Lima with a group of Latin American political party representatives who are going to visit Chile in order to meet with Chilean democratic leaders and "learn right there what that country's situation is."

In statements to AFP, Castro said that "the U.S. Government is trying to obtain in Panama the same facilities that it has in Honduras for intervening in Central America." and, to this effect, it is continuously pressuring the government of General Manuel Antonio Noriega, who is continuing with the task begun by General Omar Torrijos, who founded his party. He also said his country is experiencing a serious crisis as a result of the opposition attacking the democratic government. The crisis is "due to the current regime's refusal to accept the U.S. pressures to step outside or abandon the Contadora Group," which includes Mexico, Colombia, Venezuela, and Panama. The group is making efforts for achieving the pacification of Central America.

Peru, along with Brazil, Argentina, and Uruguay, make up the Support Group, which is entrusted with seeking a negotiated peace in Central America.

The Panamanian politician today contacted Peruvian democratic officials, particularly members of the APRA [American Popular Revolutionary Alliaice] party of Peru of President Alan Garcia. Castro said "the so-called civil disobedience that began in his country is really a businessmen's strike, and not a strike by the people. It is also for the purpose of confusing public opinion." "It is a strike of business management and the oligarchy, supported directly by the U.S. Government," he said.

Arthur Davis, U.S. ambassador to Panama, made open statements in support of that movement, which were cofirmed by the State Department, he noted. "We support the objective of a professional and apolitical military institute" in Panama, Phyllis Oakley, U.S. spokesperson, stated, advocating that "a total and functional democracy through free elections" be established in that country.

After denying the charges by the former chief of staff of the Panama Defense Forces, Colonel Roberto Diaz, that the 1984 elections were rigged against Conservative candidate Arnulfo Arias, he said the United States is also pressuring his country economically, transferring the aid allocated to Panama to other countries.

The group of representatives of Latin American political parties that will travel to Santiago, Chile, tomorrow, where they will meet for 5 days with Chilean colleagues, is composed of Eduardo Mestre, of the Liberal Party of Colombia, Cesar Verdugo, of the Democratic Left of Ecuador, and Jose Luis Perez Sanchez Cerro, of the APRA party of Peru.

The delegation also includes the leaders of the Party of the Brazilian Democratic Movement (PMDB), Franco Montoro, and General Liber Seregni, of the Broad Front of Uruguay.

REGION 'SHOULD BE CONCERNED' ABOUT U.S. POLICY

PA122212 Panama City Domestic Service in Spanish 1815 GMT 12 Jun 87

[Report from Canada by Radio Nacional International reporter Alberto Rabilota]

[Text] With 10,000 units stationed in Panama on a state of alert that worsens Panamanian domestic and foreign problems resulting from attempts to weaken the military command and the Panamanian Government, the Reagan administration is playing an important card which could mean a serious step backwards for the Central American nations, especially for Panamanian sovereignty. Panama is important not only because of the canal -- which according to the Torrijos-Carter Treaties should be turned over to Panama in some 10 years -- but also because of Panama's foreign policy since the Torrijist revolution. In the Central American context, Panama has played an important role in the Contadora Group, along with Mexico, Colombia, and Venezuela, seeking to prevent the Reagan administration policy in Central America from causing a regional war of unpredictabe consequences. Therefore, it is not surprising that on several occasions in the past few months, Washington has tried to modify Panama's foreign policy by denigrating its leaders and the Contadora Group and Latin American opposition to the war in Central America. Moreover, [Washington] also sought to retreat the interpretation [as heard] of the canal treaties.

THE WALL STREET JOURNAL has published reports on the Panamanian situation, on the state of alert of the U.S. troops stationed in the U.S. military bases in Panama, and on the strange alliance between Colonel Diaz Herrera [retired] and different right-wing forces which include a Catholic Church that is not following Vatican recommendations that the priests and the church not participate in politics.

With Washington's support, the forces opposing the government and the Panamanian military leaders [as heard] are trying, according to the WALL STREET report, to eliminate General Noriega from his post.

Washington, as well as opposition forces believe that this is a great opportunity to eliminate the role that the Panamanian Defense Force [FDP] have been playing in Panama since the Torrijos revolution. However, the purpose of this policy is to try to weaken the Panamanian nationalist process, and to overturn domestic accomplishments achieved with this policy, which includes compliance with the canal treaties, which cover the canal as well as U.S. military bases.

Although the Panamanian situation is an internal problem, there is no doubt that Latin American countries should be concerned about the objective of the U.S. policy in Panama. The two important occasions in which Latin America achieved continental unity were not in vain. The first one was supporting the Panamanian demands and General Torrijos on the issue of the canal treaties. The second moment was the defense of Argentina's sovereignty of the Malvinas Islands.

GOVERNMENT SUPPORTERS DEMONSTRATE AT U.S. EMBASSY

PA150322 [Editorial Report] Panama City Radio Uno Soberana in Spanish at 2223 GMT on 14 June broadcasts live reports on a demonstration staged outside the U.S. Embassy in Panama City. An unidentified station reporter says that Alberto Aleman Boyd, legislator for the Democratic Revolutionary Party [PRD], PRD leader Humberto Lopez Tirones, and "a group of patriots who refuse to allow sedition to progress in the country" are heading the motorcade. The reporter says that hundreds of cars have joined the motorcade with a single goal of "preventing sedition, preventing treason, and supporting the Defense Forces, the government, and General Manuel Antonio Noriega."

The reporter says that the motorcade "is heading for the U.S. Embassy to show the North Americans that they cannot meddle in Panamanian affairs. We will park there and wait for all the Panamanians who love their homeland, and who are nationalists, to join the motorcade and this great crusade."

Boyd is heard addressing the people who joined the motorcade and who are demonstrating in front of the U.S. Embassy on Balboa Avenue. He says: "Fellow citizens, this is a moment of truth. This is the moment to (?prove) that our Torrijist process and our democratic homeland cannot be undermined by sedition or treason of those who promoted bloodshed among brothers."

The station reporter says that "it is incredible how many people have gathered here in front of the gringo embassy. There is a complete repudiation of U.S. intervention. We no longer believe in them; they have corssed over to the treacherous side, and we shall treat them as traitors." The reporter continues by saying that it is "quite a coincidence that every time someone tries to harm Panama, the gringo is always found in the background."

Several unidentified speakers are heard addressing the crowd. Tirones is heard saying: "More than a (?classic) demonstration speech, this is a message of peace, homeland, and unity. The presence of all the Panamanians who are committed to this process of change, Panamanians who represent various political movements and groups, is to make sure that our adversaries realize the limit of our patience. We want to show our adversaries that the Torrijists, the members of the Labor Party, the Republican Party, the PRD, and especially the popular masses are the ones who will take to the streets to show them what kind of a homeland we want, a homeland of peace, social justice, and a permanent commitement against a homeland with injustice, repression, and exploitation that they, together with their North American sponsors, wish to impose on our country. This is a message of unity, but we also wish to tell them that they will receive what they give."

Radio Uno Soberana continues to invite everyone to joing the motorcade and it reports that the "Motorcade for Dignity" is heading for the downtown area. "We are heading for the San Francisco neighborhood, an area that had been occupied by the traitors. Now the nationalists, Torrijists, constitutionalists, and patriots are out and retaking the streets. We are retaking the streets that were occupied by those traitors and seditious men who want to overthrow the government and drown us in a sea of blood." The announcer says that "we will not allow the seditious men to retake the streets. All the parties, the PRD, PALA [Labor Party], FRAMPO [Popular Broad Front Party], the Republican Party, the Liberal Party, the Panamenist Party, and all the patriots who are not members of a political party will not let go of the streets. We have retaken the streets and we will continue with our crusade of dignity. We support Delvalle's government and we support Gen Noriega, the Defense Forces, the Constitution, and the laws."

DEFENSE FORCES CAPTAIN 'MORTALLY WOUNDED'

PA150431 Panama City Televisora Nacional in Spanish 0413 GMT 15 Jun 87

[Text] We have bad news for our listeners throughout the country. Newsmen of this television station have reported from the Santo Tomas Hospital to the station that tonight, while making the rounds assigned to him by the Defense Forces, Captain Heliodoro Villamil was mortally wounded. [as heard]

According to the reporters in the emergency ward, the hospital doctors are currently doing everything possible to save Capt Villamil's life [as heard]. It has been reported that several snipers mortally wounded Capt Villamil in the Mexico Avenue area.

HEALTH MINISTER REPORTS ON RIOT CASUALTIES

PA121945 Panama City Domestic Service in Spanish 1920 GMT 12 Jun 87

[Statement made by Health Minister Francisco Sanchez Cardenas from Radio Nacional studios -- live]

[Excerpt] [Passage omitted] As far as the state of health in the country is concerned, we can tell the citizenry that we have thus far received no official reports of any deaths resulting from the disturbances that have taken place in the capital. No one has been seriously wounded. At present, we have one injured child, who is progressing satisfactorily. [passage omitted]

## FURTHER REACTION TO CHILEAN DENIAL FOR SEA OUTLET

### Chilean Consulate Dynamited

PY121957 Madrid EFE in Spanish 1914 GMT 12 Jun 87

[Text] La Paz, 12 Jun (EFE) -- According to official sources, the Bolivian Interior Ministry today ordered a thorough investigation to find those responsible for a dynamite attack on the Chilean Consulate in Cochabamba.

The intelligence department of the Cochabamba Police reported today that the attack on the Chilean Consulate caused minor damage to the building, such as breaking windows. Cochabamba is 403 km southeast of La Paz.

In this regard, Information Minister Hernan Antelo has stated that the Bolivian Government has never resorted to violence as a means of exerting pressure.

Antelo stated: "I think this is the time to remain calm. The expressions of solidarity have been good. But there is a great differnce between these expressions of solidarity and the use of violence and terrorism. We believe, therefore, that someone is trying to take advantage of the Bolivian Government's feelings with actions not accepted by the government."

The minister said that calm prevails in Bolivia "despite the reactions of protest provoked by the Chilean negative reply to the Bolivian proposal for a sea outlet and the sorties made into Bolivian airspace by Chilen planes."

The spokesman urged the people to remain calm because "a positive reaction of support for the Bolivian maritime cause could otherwise get out of control and generate crime and violence."

Antelo added: "Bolivia has channeled its demands on this issue through international organizations such as the OAS and the United Nations. I believe this is a very delicate situaton that could make tempers flare and provoke an atmosphere that will not be conducive to peace in the region." He concluded: "We are going to act in a different way, peacefully, and resort to every available instance to make our demand."

### Border Situation 'Normal'

PY121419 La Paz La Red Panamericana in Spanish 1130 GMT 12 Jun 87

[Relay from Oruro by Reporter Jorge Barrientos Zapata]

[Excerpt] [Passage omitted] Border military garrisons here have reported nothing new. Colonel Alfonso Tapia Montano, chief of staff of the 2d Army Division and Army units in the western region of this department near the border with Chile, told Panamericana that nothing important happened yesterday.

He said that every Army unit here carried out normal routine work. He added that when anything unusual happens it is reported to his command, which in turn reprots it to the Army General Command. Nothing unusual was brought to our attention, Col Tapia told Panamericana. [passage omitted]

FINANCE MINISTER DEPARTS FOR VENEZUELA, U.S.

PY082138 La Paz La Red Panamericana in Spanish 1700 GMT 8 Jun 87

[Text] The national comptroller has reported that Planning Minister [title as heard] Juan Cariaga will try to obtain two important credits abroad. In Venezuela, he will try to obtain a $15-million credit from the Andean Development Fund. This credit will be used in the transportion and energy sector.

Afterward, Cariaga will travel to Washington to try to obtain a $100-million bridge loan to even out our trade balance.

Cariaga departed yesterday afternoon for Caracas, Venezuela.

Obtains $20 Million Loan

PY090137 La Paz La Red Panamerican in Spanish 0000 GMT 9 Jun 87

[Text] The Bolivian Government has obtained in the last few hours a credit for $20 million which will be used for the government's agricultural and industrial development plan.

This informtion was provided by Irving Alcaraz, under secretary of information, who after talking with the finance minister, who is in Caracas, reported the following to Radio Panamericana:

[Begin recording] I would like to report that today Finance Minister Juan Cariaga concluded a negotiation and signed a credit contract for $20 million which will be used for the overall plan of the agricultural and industrial sector. This contract was signed on behalf of the government by Juan Cariaga and by (Carlos Montana), president of the Andean Development Corporation, which is the organization that granted the loan to the Bolivian Government.

Minister Cariaga has been invited to attend a 9 June meeting with Hector Hurtado, Venezuelan minister of state and president of the Investment Fund, to discuss the possibility of selling 7,000 tons of Bolivian sugar. After holding other meetings and activities Minister Cariaga will return to the country. [end recording]

Irving Alcaraz concluded by saying that the credit has been granted and that it will soon be available for the agricultural and industrial sector.

BRIEFS

AGREEMENT SIGNED WITH UK -- Bolivia and the United Kingdom this morning signed a cooperation agreement by which the United Kingdom of Great Britain and the government of Northern Ireland will grant a donation no higher than 5 million pounds. This will be used for the purchase of products from those countries. The ceremony marking the signing of the agreement was held at the Foreign Ministry. [Excerpt] [La Paz La Red Panamericana in Spanish 1700 GMT 1 Jun 87 PY]

## SARNEY, BRESSER ADDRESS NATION ON ECONOMIC PLAN

### Sarney Opens Meeting

PY130125 Brasilia Domestic Service in Portuguese 2215 GMT 12 Jun 87

[Speech to the nation by President Jose Sarney from Planalto Palace in Brasilia during an Economic Development Council meeting -- live]

[Text] Messrs Ministers, I have called this meeting of the Economic Development Council in order to sign certain decrees enacting important measures intended to make changes in the Brazilian economy.

During the first months of 1987, the entire country experienced upheavals and difficulties. The anxiety was justified: inflation rates are too high and interest rates have reached untenable levels, our economic growth is in jeopardy, the situation of thousands of enterprises is impossible under the current financial conditions, our workers must cope with the phantom of unemployment and the fear that the purchasing power of their salaries will decline.

The people are justly protesting the sudden rocketing of prices. I am aware that there has been a lot of confusion and suffering over these last few months, especially among the poorest Brazilians. There is no doubt that the situation cannot and will not go on.

We have a great country, we have an admirable people. We have great natural resources and highly-trained manpower. We are aware that on this occasion we are making decisions which will improve the standard of living of all Brazilians.

The measures that will now be announced have been carefully studied by the members of the government economic team. It is with a great deal of anxiety, we could even say with a great deal of anguish that your president has been awaiting this moment and overseeing the task that was being carried out. These measures are indispensible to normalize our economy, they will give rise to the conditions we need in order to obtain the good results we enjoyed in 1985 and 1986.

When Prof Bresser Pereira took over the Finance Ministry, I instructed him to conduct an immediate study and devise an economic plan capable of pulling us out of the crisis. I especially asked him to study and determine the right time to implement a new shock policy.

Other nations that have experienced problems similar to ours have also made indepth corrections and adjustments in order to rearrange their economies. Today, the government is proposing a plan which is both feasible and austere; a program which we are very determined to implement and stick with to the end. We are going to contribute and do our part.

The government proposes to make a great effort to reduce its expenditures and investments. As an example, and fully aware of what this will cost me, I want to announce to the country that we are going to postpone the construction of the north-south railroad for 6 months; until our economy is normalized.

The same will apply to the southern and Rio de Janeiro petrochemical complexes, the agricultural railroad line [ferrovia da producao], 60 percent of the iron and steel program including the Maranao Iron and Steel complex, 25 percent of the railroad and port building program, the Angra II nuclear powerplant, and the Red Line [not further identified] project in Rio de Janeiro.

We will arrange the timetable of the Itaipu Dam, delaying the installation of the third turbine scheduled for this year. Various projects such as the east-west railroad, the new Rio-Sao Paulo railroad line, 33 percent of the highway program, and the Machadino and Ilha Grande power plants will be suspended.

As part of this effort, no new projects will be started, but priority projects currently underway will be carried out, and social programs will not be cut.

Thus, it is with a great deal of hope and confidence in the success of the austerity program, I would now like to give you Minister Bresser Pereira for whom I ask your wholehearted support. He will explain to the nation the details of our economic measures. Minister Bresser Pereira.

Bresser Comments

PY130125 Brasilia Domestic Service in Portuguese 2221 GMT 12 Jun 87

[Speech by Finance Minister Luiz Carlos Bresser Pereira from the Planalto Palace during an Economic Development Council meeting -- live]

[Text] Mr President, Messrs Ministers, members of the Economic Development Council, ladies and gentlemen: President Jose Sarney's measures to freeze all prices for a maximum of 90 days, and to establish decisive measures designed to coordinate the budgets of public enterprises, grant the Central Bank more independence, and, by all means, try to slow down the increase of the public deficit while cutting down the inflationary issuance of money, will go down in Brazilian history.

I have been quite aware of the need to freeze prices since 29 April when I became finance minister. I knew that I had to freeze prices as soon as possible even though the necessary conditions for this measures did not exist.

The soaring increase in inflation, which began in November 1986, caused by the excessive demand and the total imbalance of the relative prices immediately led to inertial inflation. To stop this, we needed to realign relative prices. This inertial inflation was caused by the automatic readjustment of prices and salaries based on the previous inflation rate. Interial inflation takes place when a certain inflation rate, for example 20 percent per month, occurs and everyone automatically increases their prices. Let us mention an example: let us say that only three people were active in the economic sector, and dealt exclusively with each other: Joao, Antonio, and Maria. Joao increases his prices on the first day of the month. Antonio sees what Joao has done so he increases his prices by 20 percent on the 10th day of the month. Maria also increase her prices by 20 percent on the 20th. On the first day of the following month, Joao has to again increase his prices by 20 percent. This is how inflation perpetuates itself in an inertia manner. This is what we call inertial inflation. This type of inflation can only be stopped by freezing prices as we did whith the Cruzado Plan and are now doing once again. We will once again need the support of the entire society: of the workers, businessmen, and housewives for this New Cruzado Plan to be successful.

We will include all the successful measures of the Cruzado Plan in this new plan and we will try to avoid all the mistakes.

This New Cruzado Plan is divided into three phases: a short phase in which prices will be completely frozen, a phase of flexible prices that will be accompanied by the lifting of the freeze on prices deemed competitive; and a third phase for free prices.

The following are our main objectives:

1. To do away with inertial inflation without expecting inflation to be nonexistent, we only want it to be very low;

2. To guarantee an average real salary for all workers;

3. To establish mechanisms to lift the price freeze in a short term, a maximum of 90 days, because prices in certain, very competitive sectors of the economy, formed by a great number of enterprises, can only be frozen for a short term;

4. To establish, before the freezing of prices, a number of corrections of basic prices of the economy which are out of date such as that of electricity, steel, and petroleum;

5. To guarantee the flexibility of relative prices in the future, without, however, affecting the main objective of the price freeze;

6. To make the price freeze as equitable as possible from the distribution point of view, thus, not allowing anyone to make or lose too much as a consequence of this measure; and

7. To maintain the monetary correction or indexation of salaries, prices, and contracts in general.

Canceling the indexation mechanism was one of the mistakes of the Cruzado Plan. It was believed that it was necessary to suspend the indexation in order to eliminate inertial inflation. What we actually needed was a price freeze; a cut in the price hike circle. If inflation is curbed to nearly zero, the indexation on zero will be zero. The indexation on 1 percent will be 1 percent per month, the indexation on 2 percent per month will be just 2 percent. By maintaining the indexation of the financial assets, especially that of savings passbooks, which remain absolutely guaranteed as President Sarney said a few days ago, there is no danger that what happened with the Cruzado Plan will be repeated; that is, a massive rush for nonfinancial real assets such as shares, real estate, and stocks.

Under the New Cruzado Plan, salaries are completely protected. A new formula to adjust salaries, which will also be used as a ceiling for price increases, replaces the automatic salary adjustment mechanism, favoring the workers.

According to the new adjustment formula, integrated in the Price Reference Unit [Unidade de Referencia de Precos -- URP], salary adjustments will be made every month. Every 3 months, the workers will have the same monthly adjustment rate, commensurate with the IPC [Consumer Price Index] average increase; that is, the average cost of living increase of the last 3 months.

Thus, if the inflation rate starts to increase, if it reaches 1, 2, or 3 percent in the first quarter, in the following quarter the workers will receive another adjustment, that is, a 2-percent salary adjustment every month. If the inflation rate drops from 3 to 2 percent and from 2 to 1 percent in a quarter, in the following quarter the salary adjustments will be made following an average; that is, the workers will receive a 2 percent adjustment every month for the following quarter.

That adjustment formula will be a ceiling for prices. The prices will not increase at a faster rate than salaries. Price and salary changes will keep exactly the same rate.

The last automatic salary increase payment, due in late June, will be made to the workers despite the fact that a price freeze will have been implemented 18 days eariler, on 12 June, that is, today. Taking into account the base date for calculating the automatic increase applicable to each category, the workers will also collect the remainder of the increase due them for that portion of the inflation increase in excess of 20 percent. This remainder will be paid in six installments as soon as prices become flexible.

With the automatic salary adjustment mechanism, workers would have to wait for several months until the inflation rate reaches 20 percent. With the new system of out-of-phase [defasada] and monthly adjustments, the workers will have their salaries immediately adjusted and on the base date, they will have an ample chance to negotiate their salaries. The basic news for businessmen is that as soon as next week the interest rates will drop sharply. We will not permit negative interest rates to prevent the speculation of goods, stocks and other types of commodities. However, the interest rates will be much lower in nominal terms when compared to the unbearable levels of the past few months. Indeed, it was the extremely high nominal interest rates at a time when the prices of many companies, especially the small ones, did not keep pace with the average inflation rate, that prompted a huge financial crisis in the country.

It is not enough for the economic plan to be technically well-done, protect the workers, and prevent speculation. It is not enough for us to now have a more flexible plan, with clear rules for canceling the price freezes.

It is necessary for us to be immediately able to conduct a macroeconomic administration of the economy in a competent and firm fashion. It is necessary for us to be able to curb the public deficit and control the issuance of currency.

The macroeconomic plan I am drawing up, which should be ready by the end of this month, is an essential tool to achieve these goals. In this plan we will establish goals for an economic growth and an economic surplus, but we will also establish goals for a reduction of the public deficit and a control of the money supply. In order to achieve these goals we will require measures which, in many cases, will be very hard, that imply sacrifices. The elimination of the subsidy for wheat, a real price increase for public services, and yet another real devaluation of the cruzado are some of these measures.

In the meantime, we will need new laws that will cut down public expenditures financed by the issuance of money and will create a more independent Central Bank. The National Constituent Assembly will take care of these needs, but preliminary measures must be taken urgently.

These measures designed to control the public expenditure are being implemented by President Sarney today through a series of other decrees which establish:

1. Consolidating the federal budget by including the monetary budget [orcamento monetary], which has been out of Congress' control up to now;

2. Prohibit the Central Bank from supplying resources for subsidized credits;

3. Limit the issuance of federal bonds which have the sole purpose of covering budget deficits. The number will be limited by Congress;

4. Create the Finance Ministry's Financial Coordination Commission to stop any proposal that may entail an increase of the public deficit and issuance of money; and

5. Free the Central Bank from its development promoting functions so that it may chiefly concentrate in an autonomous manner on the monetary policy.

Workers, businessmen, professionals, housewives, and students: I want to point out once again that Brazil is currently experiencing a historic moment. Last year, we placed our hopes in the Cruzado Plan but inflation and the crisis showed up again. We all learned a lesson, and I am completely certain that we will be successful if we all firmly and decidely engaged in the same task now. Brazil is a great country. We are in condition to reach high development rates with low inflation rates. Inflation is not a curse placed on the Brazilian people; it is an economic problem we already know how to overcome. To do this, we must do away with speculators, keep a watch on price freezes and after that continue to keep a watch on those which have become flexible. We must also observe market laws, we must curb the public deficit, we must firmly control the issuance of money, and we must maintain a realistic exchange rate that will encourage exports and production. We need to make modest but real profit that will encourage businessmen and farmers to invest and increase productivity, we need salaries that will increase in real terms in keeping with productivity. All this is possible. The Brazilian people; workers, businessmen, and housewives are mature enough not to believe in magic solutions, to doubt in hollow promises, and to accept reality such as it is. The New Cruzado Plan which we have just disclosed to the nation will be realistic, it will demand sacrifices, but I am sure that with everyone's support, with President Sarney's support, its main objective to control inflation and prevent recession will be very successful. Thank you very much.

## Sarney Concludes Meeting

PY130125 Brasilia Domestic Service in Portuguese 2234 GMT 12 Jun 87

[Remarks by President Jose Sarney from the Planalto Palace at the conclusion of an Economic Development Council meeting -- live]

[Text] Messrs Ministers, thank you very much Minister Bresser Pereira. Before closing this meeting I would like to say a few words to the Brazilian people, to all Brazilians. I would like to say that I believe in Brazil, which is why I have always refused to join the ranks of the pessimists even at the most difficult times I have had to go through since November.

I would like to call upon all workers, teachers, productive sectors, factory workers, liberal professionals, and politicians. Let us give this country a truce. Our country needs a respite in order to rebuild itself after all these years of arguing. Let us put aside our arguments. I am aware of all the suffering of Brazilian businessmen, workers, public servants, military men and civilians, renters, and small- and big-businessmen.

Let no one believe that your president, at any given day, has ceased to receive information or to study problems in the quest for solutions. Let us not allow the past to return. We now have a New Cruzado Plan, a new chance.

My conscience is at peace because I know that I have struggled and taken care of things. It will not be easy to rebuild but, as Minister Bresser Pereira says, we have learned a great deal. We know what we should and should not do. All of us, members of this government, have gathered a great deal of experience which we now place at the service of Brazil.

The past price freeze was successful because the people supported it. No economic program can be successful if it does not enjoy the support, understanding, and faith of the people. Any program lacking this kind of support is unlikely to have the desired success. Therefore, despite our efforts, our determination, the knowledge and ability of the teams that have worked on this program, it will not be successful if it does not have the staunch support of all the Brazilian people, of all the social strata of our country. We all know what we have already gone and are going through because, as Minister Bresser Pereira says, in the past we were not aware of all the convolutions and problems of the economy.

I am absolutely certain that the New Cruzado Plan will have the same success as the first Cruzado Plan, because the Brazilian people will support, as they did the first time, not the president, but Brazil.

By supporting this plan, the Brazilians will be protecting their own well-being, their salaries and their income. This program will be managed properly. I harbor no doubts that inflation will fall to very low levels. Then we will be able to resume our march on more solid grounds. This is hope being reborn, let us tackle this together. God has always helped Brazil. Thank you gentlemen, our meeting is now closed.

SARNEY PROPOSES 'NEOPRESIDENTIALIST' SYSTEM

PY131927 Rio de Janeiro O GLOBO in Portuguese 11 Jun 87 p 3

[Excerpt] Brasilia -- President Jose Sarney yesterday proposed to Jose Lourenco, PFL [Liberal Front Party] leader in the Chamber of Deputies, and Carlos Sant'Anna, government leader in the same chamber, the implementation of a "neopresidentialist" system to take effect next year during his own term. According to Lourenco, through this system proposed by President Sarney, the president would be able to designate a prime minister to whom he would delegate powers, possibly through a decree. Lourenco stated: "The president's desire is to make changes possible through transitory measures under the new constitution."

Lourenco added that the basic guidelines of the proposal, being prepared by Planalto Palace advisers, will be submitted to him today, and he will discuss them with the PFL bloc. The initial idea is that the prime minister, designated by the president, be submitted for consideration of the Chamber of Deputies which can reject him within 5 days, by an absolute majority.

Since the prime minister will not be designated by the Chamber of Deputies, it will not have the power to dismiss him. The chamber will have the power to propose punishments for the minister, although the president will have the power to veto it.

Lourenco explained that the president's intention is to have a direct aide, ready to help him lead the government either in part or as a whole. However, he will remain chief of state, unlike under the neoparliamentary system, in which the people would not know who would really be responsible for the country's administration. [passage omitted]

GOVERNMENT REJECTS U.S. LETELIER REQUEST

PY121950 Santiago Domestic Service in Spanish 1700 GMT 12 Jun 87

[Excerpt] Foreign Minister Jaime del Valle has confirmed that Chile will not grant the U.S. Department of State request for the explusion from Chile of former officers Contreras and Espinoza in order to be questioned in the Letelier case. He added that the delay in releasing an answer is due to the legal explanations that will be given on the subject. The minister said the answer will be delivered next week in Chile.

Del Valle made this statemet after meeting President Augusto Pinochet and Chilean Ambassador to the United States Hernan Felipe Errazuriz at Government House [passage omitted]

Gen Matthei Comments

PY120313 Santiago Domestic Service in Spanish 2300 GMT 11 Jun 87

[Excerpts] Upon leaving La Moneda Palace today, after being congratulated by President Augusto Pinochet on the occasion of his birthday, Air Force commander, General Fernando Matthei answered several questions from journalists on current issues. [passage omitted]

In connection with the U.S. request that the government expel two Chilean officers, Gen Matthei made it clear that this request is absurd because no country can expel its officers, or any other citizen for that matter, because the laws do not allow it. To do otherwise would be a mockery of the laws in force.

[Begin Matthei recording] As far as I am concerned, this request is absurd. I do not believe that any nation can turn its officers over to another country. [words indistinct] it implies an expulsion which requires a legal process. No country can turn one of its citizens over to another country to stand trial without going through an extradition process. To do otherwise would be to mock the laws of one's own country.

According to our laws, there must be a legal process, a process in keeping with the Constitution. Furthermore, our laws say that once an individual has been tried for a crime he cannot be tried again for the same crime. You can ask people who know a great deal more about our laws than I do about this matter, but I do know enough to say that it is out of the question. [end recording] [passage omitted]

DEL VALLE ON REJECTION OF BOLIVIAN PROPOSAL

PY122200 Madrid EFE in Spanish 0552 GMT 11 Jun 87

[Text] Santiago, 11 Jun (EFE) -- After a meeting with Chilean President General Augusto Pinochet, Foreign Minister Jaime del Valle today stated that in answering the latest Bolivian proposal on the request for a corridor to the Pacific Ocean, "we have acted in a very serious manner."

In remarks to local reporters, del Valle stated: "I made what I thought to be the most suitable decision. We listened to President Paz Estenssoro, who stated that he wanted a fresh approach."

The minister added that "we have always thought that an approach of this nature would imply a new and different proposal, and our first surprise was to find the same old proposals we have been discussing for decades. That was a real surprise for us."

Del Valle added that Chile "has fulfilled the task of informing both the public and the Bolivian Government of the fact that we consider it absolutely futile to continue discussing something that cannot prosper."

He said it is absolutely clear that the proposal demanding a corridor or an enclave is something that cannot have positive results, and "consequently, and delay would imply deceiving the public and the Bolivian Government, and would also create, as stated in the statement, confusion among the Chilean people."

Chilean Defense Minister Patricio Carvajal also told reporters today that "this does not imply breaking relations."

Carvajal termed the Chilean answer, rejecting the Bolivian proposal, as "excellent," because "it reflects the opinion of the overwhelming majority of the Chilean people."

PRC FOREIGN MINISTER WU XUEQIAN ARRIVES FOR VISIT

PY142242 Buenos Aires TELAM in Spanish 1617 GMT 14 Jun 87

[Text] Santiago, 14 Jun (TELAM) -- PRC Foreign Minister Wu Xueqian has arrived in Chile to meet with President Augusto Pinochet and to speak at the regional headquarters of the economic Commission for Latin America (ECLA). Chilean diplomatic sources have pointed out that Wu Xueqian is the highest-ranking PRC political leader ever to visit Chile.

Upon his arrival, Wu Xueqian, who is one of the 10 most important political leaders in the PRC, said that PRC and Chilean bilateral relations are based on mutual respect for sovereignty and territorial integrity, nonaggression, nonintervention in internal affairs of other countries, equality and mutual benefit, and peaceful coexistence. Wu Xueqian also said that he trusts that in the next few years, bilateral relations and cooperation between the PRC and Chile will improve because prospects are good.

DEFENSE MINISTER: BUDGET TOTALS $590 MILLION

PY120409 Santiago Domestic Service in Spanish 1700 GMT 11 Jun 87

[Excerpt] National Defense Minister Vice Admiral Patricio Carvajal has categorically denied reports published in our country, stating that the 1987 Armed Forces budget totals $2.2 billion. Carvajal made this denial in his office at the Defense Ministry. He stated that a report released by the Chilean episcopal conference, which was published in Santiago, clearly states that the 1987 Armed Forces budget reportedly totals $2.2 billion.

Minister Carvajal added that this report lacks the appropriate background information and that, in his opinion, an attempt is being made to cast a bad image on the expenditures needed by the Armed Forces. The defense minister made it clear that the 1987 budget, which the Finance Ministry authorized for the Armed Forces, totals $590 million and not the figure released by the Chilean episcopal conference, which is unrealistic. [passage omitted]

JUSTICE MINISTER RESIGNS, U.S. EXTRADITIONS DENIED

PA131710 Madrid EFE in Spanish 0711 GMT 13 Jun 87

[Text] Bogota, 12 Jun (EFE) -- Colombian Justice Minister Edmundo Lopez Gomez resigned this afternoon following a government announcement rejecting the extraditions of five drug traffickers to the United States. The government also approved two extraditions and postponed a decision on another case.

Minutes after his resignation, the minister refused to comment on the reasons for his decision.

The resolution by the government of President Virgilio Barco was adopted as an administrative decision without considering the opinion of the Supreme Court, which is currently determining the constitutionality of the extradition treaty with the United States.

A communique signed by the minister minutes before his resignation stated that the government agreed to extradite Carlos Gomez Zapata and Carlos Tulio Gomez, who are being sought by the United States on drug trafficking charges.

The government refused to extradite Colombians Gilberto Rodriguez Orejuela, Ramon Virgenes Ospina, Javier Alvarez Alvarezs, Victor Mera Mosquera, and Jose Cayetano Melo. It released four of these men.

The extradition of Rodolfo Donado Suarez was left pending upon further investigation.

Ramon Virgenes Ospina and Javier Alvarez Alvarez were released because the government felt that the crime with which the United States is charging them does not exist in the Colombia.

Mera and Melo were released on bail. Gilberto Rodriguez remains in prison while a Cali court studies its post-trial verdict.

The government does not believe Rodriguez can be tried twice for the same crime. Because he had already been tried in Colombia, it feels the United States cannot try him again.

The justice minister was appointed on 17 May. Following his resignation, rumors have been circulating that his action was unrelated to the recent extradition decision but is linked to internal political disagreements between Lopez Gomez and President Barco.

Explains Resignation

PA141844 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 14 Jun 87

[Text] Without changing the good manners that have characterized his public work in this government, Justice Minister Edmundo Lopez Gomez abruptly resigned from this Cabinet for reasons that he summed up to newsman Raul Benua as follows:

[Begin recording] [Lopez Gomez] My resignation cannot be understood as other than a political gesture. It must be understood in that sense and none other. There were no confrontations with President Barco.

There was no confrontation with any other official. I just did not agree with the appointment of the man who was chosen governor for my department. He was not the choice of the liberal majority.

[Benua] Do you think the extraditions were fair?

[Lopez Gomez] I think that the Constitution, the laws, and the extradition treaty between the United States and Colombia have been respected. [end recording]

CURFEW, 'DRY LAW' DECLARED IN CESAR DEPARTMENT

PA121922 Hamburg DPA in Spanish 2245 GMT 10 Jun 87

[Text] Bogota, 10 Jun (DPA) -- A curfew and dry law have been established in six towns in the central and southern part of the Colombian Department of Cesar, because of an escalation of terrorism. Meanwhile, tension and street disorders have continued in other towns in the northeastern part of the country, where a 3-day civil strike is practically over.

Alfredo Araujo Castro, secretary of government in Valledupar, capital of Cesar Department, confirmed that the curfew will go in effect at 2100 today in towns such as Rio de Oro, Aguachica, and Gamarra, to prevent any disruption of public order. There was an escalation of terrorism in that area yesterday. Two bridges and a high-tension tower were blown up, causing a power outage in an extensive area.

Meanwhile, as of noon today, large contingents of Army troops were continuing intensive patrols of the city of Barrancabermeja, a port on the Magdalena River, where groups of rioters had attempted to stage new disturbances like those that occurred last night, in which several people, including a policeman, were injured.

Although tense elsewhere, the situation is calm in the oil port of Barrancabermeja and the strike there is only partial. This morning, the "Bernardo Lopez Arroyave" guerrilla command of the Maoist Army of National Liberation appeared in on of the most populated sectors of that city, in an attempt to revive the image of priest Bernardo Lopez who was killed a few weeks ago in Since, Sucre Department.

BRIEFS

COCAINE INSTALLATION DISCOVERED -- On Saturday a group of 250 men from the National Police's drug squad and the Bogota-based 13th Military Brigade raided the largest cocaine processing installation ever discovered in the country in Paime Municipality, Cundinamarca Department. So far, officials have found coca crops in an area of 100 hectares, 5 cocaine processing laboratories, and 25 kg of coca paste, and have arrested 25 men at the site. The operation is expected to last 3 more days and the authorities expect to find more laboratories, chemicals, and coca paste. [Summary] [Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Jun 87 PA]

DEPUTY LABOR MINISTER RESIGNS -- German Alberto Bula Escobar, the Colombian deputy minister of labor, has reported to EL TIEMPO he has resigned because he has been unable to receive support from the nation in solving the crisis at the National Social Welfare Fund. He added he will leave his office once he returns from a foreign policy [as published] course he will attend in the United States between June and July. [Summary] [Bogota EL TIEMPO in Spanish 3 Jun 87 p 7-a PA]

## CONGRESS COMMISSION DEMANDS U.S. TROOPS LEAVE

PA130508 Paris AFP in Spanish 0424 GMT 13 Jun 87

[Text] Quito, 12 Jun (AFP) -- The International Affairs Commission of the Ecuadoran Congress today demanded the departure of U.S. troops who have been in the country for a month reconstructing a road in the country's eastern Amazonian region. This is because it believes the presence of those troops is unconstitutional and goes against national sovereignty.

The commission, which 3 weeks ago visited Archidona, where the U.S. camp with 800 U.S. National Guardsmen and reserves forces who initiated the reconstruction of a road damaged by the earthquakes of 5 March is located, today presented its report.

According to the Defense Ministry, the commission said today "it has been found that there is no solid reason for such a liberal opening to the presence of foreign soldiers in the national territory." The report suggests that the government continue the road work and that U.S. troops "leave Ecuador." The report discarded the Defense Ministry argument that the "opening routes" joint operation is taking place within the framework of the regional military agreement Inter-American Reciprocal Assistance Treaty, TIAR. The commission noted: "TIAR has not been valid since the United States supported Great Britain during the conflict with Argentina over the Malvinas Islands."

Leftist parties and movements, in their latest joint meeting on Monday, demanded the departure of the U.S. troops.

## AMBASSADOR TO FRG RECALLED; TO REPORT ON FOUNDATIONS

PA130507 Quito Radio Quito in Spanish 2300 GMT 12 Jun 87

[Text] Julio Moreno Espinosa, Ecuadoran ambassador to the FRG, has been urgently recalled and will arrive in Quito within the next 48 hours to brief President Leon Febres Cordero and the foreign minister on the situation that has developed between the two countries following the meddling by foundations in political parties of our nation.

Meanwhile, there has been no change in the investigations and the auditors continue examining the financial books of (Cordas y Meses) and (Indi). The two institutions are being audited, albeit irregularly.

In the meantime, the FRG Embassy is waiting for a response from its government regarding Foreign Minister Rafael Garcia's statements before taking any drastic steps on behalf of the FRG Government, which could jeopardize relations between the two countries.

## PRC FOREIGN MINISTER WU VISITS, SIGNS ACCORDS

PA131730 Quito Radio Quito in Spanish 2300 GMT 12 Jun 87

[Text] Chinese Foreign Minister Xu Xueqian, who visited our country for 2 days stressed the important diplomatic and trade relations our two countries have had since 2 January 1980. The PRC representative spoke with President Leon Febres Cordero and signed several agreements for commercial, cultural, and technical cooperation.

Wu Xueqian said on behalf of his government, he reiterated the Chinese president's invitation for President Febres Cordero to officially visit the PRC whenever the Ecuadoran president wishes.

[Begin recording] [Spanish translator] In the meeting with the president, I reiterated PRC President Li Xiannian's invitation for the Ecuadoran president to visit China when his obligations permit.

[Unidentified reporter] The economic cooperation agreement signed by you and the Ecuadoran (?foreign minister) [words indistinct]?

[Xu in Chinese followed by Spanish translation] The Ecuadoran foreign minister and I signed an agreement today on credit cooperation between the two governments. Through this agreement, China is willing to make some modest contributions in the field of Ecuador's agricultural development. [end recording]

## MPL KIDNAPS, RELEASES NEWS DIRECTOR, MAKES PROPOSALS

PA111651 Quito Radio Quito in Spanish 2300 GMT 10 Jun 87

[Text] Ivan Ona Velez, director of "Ecuador Radio" newscast, was kidnapped on Tuesday night by the Free Homeland Montoneras (MPL) subversive movement. Fortunately, the journalist was set free when a communique issued by the MPL was made public. The document, which has been disseminated by the media is signed by MPL leader Naum Briones and states that their movement is working again to achieve a free and honorable fatherland.

The rebel communique contains the following condensed political proposals:

1. Support for the government program prepared by the national committee of the United Left;
2. Establishment of a people's front;
3. Struggle against the oligarchy;
4. Support for leftist candidates; and
5. Campaigns to demand the ouster of the president, non-payment of the foreign debt, the release of political prisoners, and the rejection of U.S. reservists in Ecuador.

## BRIEFS

NEW CFP LEADER -- Guayaquil -- Dr Angel Duarte Valverde has taken over the position of director of the Concentration of Popular Forces, CFP. Other changes in the party include the appointment of (Juan Jose Arriaga) as national assistant director and Luis Almeida Moran as secretary general. Duarte will also preside over the national convention on 20 June, which will nominate him as presidential candidate. [Summary] [Quito Voz de los Andes in Spanish 1230 GMT 31 May 87 PA]

## CONSALVI DENIES DIAZ HERRERA REQUESTED ASYLUM

PA130249 Caracas Television Service in Spanish 0000 GMT 13 Jun 87

[Excerpt] Panama is facing a very delicate political situation, according to the international media and observers, as a result of charges filed by former [as heard] Panamanian Colonel Roberto Diaz Herrera, who has accused Panamanian Defense Forces Commander General Manuel Antonio Noriega of being involved in the death of former Panamanian President [as heard] Omar Torrijos. This provoked a national demonstration to demand explanations regarding the charges made by the former military man who, it has been said, has requested political asylum from Venezuela. This asylum request report has been denied by Foreign Minister Simon Alberto Consalvi, who reported that the wife and children of the military men are Venezuelans, and therefore have Venezuelan passports and are entitled to the greatest protection as is usual in these cases.

[Begin Consalvi recording] We are observing with concern the Panamanian situation. We have been keeping in continual contact with [Venezuelan] Ambassador [Faustino] Pulgar Gruber. I have spoken with him twice this morning. We know very well that this is a delicate crisis, but it is not for me to make any prognosis or diagnosis about what is happening or could happen there. [end recording] [passage omitted]

## CONSULTATIONS ON AIR AGREEMENT WITH MEXICO HELD

FL042256 Mexico City NOTIMEX in Spanish 0402 GMT 2 Jun 87

[By correspondent Rodolfo Rivera]

[Text] Caracas, 2 Jun (NOTIMEX) -- Mexican and Venezuelan delegations have concluded here technical and commercial consultations to resume an airline agreement suspended 6 years ago. The meeting was presided over by Enrique Mendes, director general of Civil Aeronautics in the Mexican Communications and Transport Secretariat, and General Cosme Hernandez, director general of air transportation in the Venezuelan Ministry of Transport and Communications. The two countries' delegates analyzed various points on which they agreed to eliminate the fifth freedom problem which caused the suspension of the agreement in 1982. The fifth freedom means commercial airlines appointed to transport passengers and cargo between the two nations can pick up passengers traveling between Mexico and Caracas at an intermediate point where the airlines will make stopovers; in this case, Panama. The Venezuelans had denounced the agreement and it was suspended; in fact, the two countries' airlines discontinued flights to their respective capitals for several months. AeroMexico later resumed flights to Caracas and Avensa did likewise to Mexico City. The two airlines can carry passengers and cargo to Panama but the Mexican airline cannot pick up passengers en route to Caracas and the Venezuelan airline cannot pick up passengers en route to Mexico City. A Venezuelan official said the service is being given based on unilateral permits, but there are certain human, social, and economic ties that make it necessary to resume these flights. Hence, the meeting was held in a cordial and friendly atmosphere, which is traditional between the two countries, to establish the basis for a formal schedule which the appointed airlines will carry out more efficiently. Another meeting will be held this month between Mexican and Venezuelan aeronautics officials -- this time in Mexico City -- and it is expected that a definite agreement will be reached on the issue. Even though he did not state it openly, the Venezuelan official implied to NOTIMEX that they will try to have the new agreement signed during Venezuelan President Jaime Lusinchi's visit to Mexico this year, presumably in July.